

APPENDIX E-307 P

STANDARD SUPPLY CONTROL STUDY (SSCS)

1. PURPOSE

This procedure is applicable to chapter 34 and provides instructions for the manual review and processing of the SSCS, appendix F-167, which will be produced by the computer and forwarded to the IM for action. Studies may be produced as a result of mechanical review or a manual request. Each Study will reflect one or more Reason for Study Codes, appendix A-156, to advise the IM of the purpose for the Study. During a cycle, the computer will produce only one Study for an NSN, unless additional Studies have been manually requested utilizing an ORC other than the ORC in the SCF. Studies will print only for items which are the Head of a Family. Any request for a Study for a Member of a Family will automatically cause a printout of the Head of the Family.

2. APPENDICES USED IN THIS PROCESS

- a. Appendix A-3, Media and Status Codes.
- b. Appendix A-38, Weapon System Essentiality Codes (WSEC)/Weapon System Maintenance Codes (WSMC).
- c. Appendix A-44, Weapon System Designator Codes (WSDCs)/Weapon System Indicator Codes (WSICs).
- d. Appendix A-70, Manager Review Codes.
- e. Appendix A-85, Demand Value Codes.
- f. Appendix A-87, Item Category Codes.
- g. Appendix A-99, Low Procurement Review Reason Codes.
- h. Appendix A-114, Inhibit Codes.
- i. Appendix A-155, Location Reorder Point Codes.
- j. Appendix A-156, Reason for Study Codes.
- k. Appendix B-4, Requisition Transaction, DICs A0\_/AM\_.
- l. Appendix B-5, Redistribution Order Transaction - Manually Initiated, DIC A2A.
- m. Appendix B-18, Prepositioned Materiel Receipt Card (PMRC) Contract Instrument Source, DIC DU\_.
- n. Appendix B-19, Prepositioned Materiel Receipt Card (PMRC) (Other than Contract Instrument Source), DIC DW\_.

- o. Appendix B-22, Materiel Adjustment Transaction (Single or Dual Adjustment), DIC D8\_/D9\_.
- p. Appendix B-38, War Reserve Requirements Transaction, DIC DMA.
- q. Appendix B-42, Due-In Transaction (Other than Contract Instrument Source), DIC DF\_.
- r. Appendix B-46, Inactive Item Review Transaction, DIC CZR/CZF.
- s. Appendix B-49, Special Program Requirement Transaction, DIC DYA, B, C, D, G, H, J, or L.
- t. Appendix B-64, Forecast Data Change Transaction, DIC ZSF.
- u. Appendix B-69, Supply Management Action Request Transaction, DIC YBY.
- v. Appendix B-117, Due-In File Inquiry Transaction, DIC ZCJ.
- w. Appendix B-119, Preferred Storage Location/Proportion of Recurring Demand Allocable (PRDA) Transaction, DIC ZSE.
- x. Appendix B-139, Recommended Buy Transaction, DIC ZHS.
- y. Appendix B-140, Recommended Buy/Repair Batch Control Transaction (Output-Input), DIC ZSJ.
- z. Appendix B-141, Recommended Repair Transaction, DIC ZGS.
- aa. Appendix B-142, Item Management Data Change Transaction, DIC ZJM.
- ab. Appendix B-149, Supply Management Data Change Transaction, DIC ZR2.
- ac. Appendix B-153, Notification of DSC Decision on Withdrawal Transaction, DIC ZSM.
- ad. Appendix B-171, Family Number Change Transaction, DIC ZJS.
- ae. Appendix B-179, Standard Supply Control Study Request Transaction, DIC ZR9.
- af. Appendix B-187, Item Program Change Transaction, DIC ZSC.
- ag. Appendix B-189, Supply Control Data Change Transaction, DIC ZR3.
- ah. Appendix B-274, DoD Excess Advice Reentry Transaction, DIC ZMX.
- ai. Appendix E-005 P, Redistribution Order Transaction.
- aj. Appendix E-039 P, Report of Customer Excess Materiel.
- ak. Appendix E-064 P, Forecast Data Change Transaction.

al. Appendix E-069 V, Supply Management Action Request Transaction.

am. Appendix E-119 P, Preferred Storage Location/Proportion of Recurring Demand Allocable (PRDA) Transaction.

an. Appendix E-139 P, Recommended Buy/Repair Actions.

ao. Appendix E-142 P, Item Management Data Change Transaction.

ap. Appendix E-149 P, Supply Management Data Change Transaction.

aq. Appendix E-153 P, Notification of DSC Decision on Withdrawal.

ar. Appendix E-171 P, Family Number Change Transaction and Complete Family Listing.

as. Appendix E-179 P, Standard Supply Control Study Request Transaction.

at. Appendix E-187 P, Item Program Change Transaction.

au. Appendix E-189 P, Supply Control Data Change Transaction.

av. Appendix E-358 P, Logistic Reassignment Losses.

aw. Appendix E-388 P, Weapon System Out-of-Stock Items.

ax. Appendix E-506 P, Processing Amendment Actions for Stock and/or Direct Delivery Due-In Records.

ay. Appendix E-509 P, Manual Requisition for Recoupment of DoD Excess Materiel.

az. Appendix F-1, Report of Assets in Condition Code L Over 30 Days.

ba. Appendix F-8, Recommended Add/Delete Numeric Stockage Objective.

bb. Appendix F-26, Logistic Reassignment Losses.

bc. Appendix F-30, Asset Data Listing.

bd. Appendix F-72, Forecast Return Percentage Table.

be. Appendix F-133, Logistic Reassignment Control Record Data.

bf. Appendix F-151, Retention Decision Listing.

bg. Appendix F-167, Standard Supply Control Study.

bh. Appendix F-184, Due-In File Printout Inquiry List.

bi. Appendix F-191, Demand History Listing.

bj. Appendix F-251, Forecast SPR Record.

### 3. RESPONSIBLE ORGANIZATIONAL ELEMENT

Applicable Commodity Branch IM within DSO.

### 4. PROCEDURES/INSTRUCTIONS

Detailed processing instructions for each Reason for Study Code, appendix A-156, are reflected in the following subparagraphs. Also included are procedures for any additional processing of the SSCS which may be required based on the IMs review:

#### a. REVIEW OF REASON FOR STUDY CODE AW - ADVANCE WARNING.

(1) Monthly, an SSCS will be generated with Reason for Study Code AW whenever a Weapon System or Nonweapon System NSN on-hand position falls below computer established levels and other characteristics contained in Management Policy Table 002. SSCSs appendix F-167 with Reason for Study Code AW and Due-In File Printout Inquiry List, appendix F-184, can be generated on an as required basis at the option of the DSC.

(2) Upon receipt of an SSCS with Reason for Study Code AW indicating that the item is in an adverse asset position, the IM will:

(a) Review the NSN to determine what actions can be taken to prevent an out-of-stock position, the development of backorders and subsequent generation of additional SSCSs.

(b) Review the NSN to determine what actions can be taken to improve delivery on the contracts, and/or accelerating awards under the provisions of appendix E-506 P.

(c) Review should be conducted to ensure that DLA Form 1128 previously forwarded to the DP&P is not resubmitted unless conditions require followup.

#### b. REVIEW OF REASON FOR STUDY CODE CR - CUSTOMER RETURN.

(1) When a Report of Customer Excess (FTE) is received which requires manual review, a DIC ZTX document will printout to the IM accompanied by an SSCS with Reason for Study Code CR.

(2) The SSCS printout is for informational purposes to the IM indicating the current stock position, requirements, as well as management data.

(3) Procedures for review of output ZTX documents and preparation of reentry documents are contained in appendix E-036 P.

(4) When the IM determines that a reported item (FTE) is required and expedite return is desired, the following additional procedures are required prior to processing of the expedite return request message:

(a) When decision to request expedite return is made at time of review of both the DIC ZTX document and the SSCS, the IM will direct expedite return request to the materiel holding activity as indicated by the Signal Code in pos. 51 of the DIC ZTX document. When the Signal Code is A, B, or C, direct request to activity indicated in pos. 30-35. When Signal Code is J, K, or L, direct request to activity indicated in pos. 45-50.

(b) When decision to request expedite return is made after review of the SSCS only; for example, a DIC ZTX document has previously been reentered and due-in status block of SSCS indicates availability of FTE assets, the IM must obtain an F-37 CRCF Printout in accordance with appendix B-63, using Action Code NL, to determine the holding activity as designated by the Signal Code used on the applicable FTE Report. After determination is made, direct expedite request in accordance with subparagraph (a) above.

c. REVIEW OF REASON FOR STUDY CODE DD - ITEM SCHEDULED FOR DELETION.

(1) Upon receipt of DIC ZRY Catalog Notification from the Catalog Subsystem 150/180 days in advance of the Catalog Effective Date for items scheduled for deletion, SSCSs with Reason Code DD for selected Type of Change Codes will be produced.

(2) When an item is canceled from Requirements and Distribution, Type of Change Codes are produced which identify the reason therefore.

(a) DD - Cancel without Replacement (Invalid).

(b) DL - Cancel Use (Superseded by).

(c) DM - Delete (Supply by Components).

(d) DP - Delete (Supply Next Higher Assembly).

(e) DQ - Delete (Fabricate).

(f) DW - Cancel without Replacement (Inactive) and All Users Have Withdrawn Including the DSC.

(3) In the event that there are dues-in, dues-out, or Service-owned assets, the following actions will be taken for all changes except DL:

(a) If there are dues-in for direct delivery, they will not be canceled.

(b) All other dues-in including those on contract will be canceled, if possible.

(c) If backorders exist and they cannot be filled from on-hand assets or substitute assets, they will be canceled.

(d) For Service-owned assets, the applicable Service will be advised that the item is being deleted from the system in 150/180 days and disposition will be requested. See appendix E-306 P for processing instructions.

(4) When the SSCS with Reason for Study Code DD is received and there are stocks on hand or due in, the IM will ensure that a technical review has been made to determine if the assets of item can be utilized through interchangeability, substitution, or modification. If no review has been conducted, the IM will forward a DLA Form 1200 to DTO in accordance with appendix E-171 P and request such a review be made. Each DSC will establish a minimum dollar value which will not require this review. However, any item scheduled for deletion with stock on hand acquired through procurement within the past two years will have a technical review effected.

(5) When Type of Change Code DL is involved and backorders exist, the replacing NSN will be backordered through use of a DIC ZD7 (Action Code HL), DIC YPE (Amendment Code C) and DIC ZLM transaction or supplied through the use of a DIC ZD7 (Action Code JC) transaction. (See appendices B-244 and E-506 P.)

(6) When Change Code DL is involved, a Manager Review Code will be manually established for review of requisitions or returns until the Catalog Effective Date is reached. Dues-in and Service-owned assets will be processed as outlined in subparagraph b(3) above. The Manager Review Code must be manually removed prior to the CED.

(7) When an SSCS (Reason Code DD) is generated as a result of Type of Change Code DL in the ZRY transaction, additional review is required with respect to program change factors. This review will be effected in accordance with appendix E-187 P for common procedures and subparagraph w below for an SSCS with Reason Code PF.

(8) Applicable references are:

(a) Appendix A-70, Manager Review Codes.

(b) Appendix B-142, Item Management Data Change Transaction, DIC ZJM.

(c) Appendix B-187, Item Program Change Transaction, DIC ZSC.

(9) Procedures for entering Manager Review Codes and preparing Item Program Change Transactions are contained, respectively, in appendices E-142 P and E-187 P.

d. REVIEW OF REASON FOR STUDY CODE DE - EXCESS ON HAND WITH DUES-IN.

(1) The IM receives an SSCS with Reason for Study Code DE when the quarterly stratification reveals an item's on-hand assets (excluding Unapplied Assets) are greater than the System Retention Limit and there are due-in of any kind. Use of the code permits review of an item to prevent disposal of on-hand assets while the system status indicates materiel may still be due-in from sources such as contracts and PRs.

(2) Before taking any disposal action, IMs determine the status and validity of the due-in. Normally, disposal does not occur if the item has been procured during the past two years, unless the item has since become obsolete, nonstandard, or replaced by another item on which there are sufficient stocks to meet all known requirements.

(3) IMs may obtain a current printout of appendix F-184. They review and closely compare appendix F-184 with section IV of the SSCS. Preparation and input of appendix B-117 cause the listing to print.

(4) DSCs use the Due-In File to control all reported Condition Code L materiel until required adjustments are processed into the system to clear the Condition Coded L quantity from the Due-In File and NIR. Appendix F-1 is prepared monthly and may be used as an aid to establish the status of the due-in.

(5) Due-in which cannot be immediately identified as valid from a review of appendices F-1 and F-184 may require closer scrutiny of the various F appendices mechanically generated in accordance with chapters 3, 40, and 49, especially those dealing with materiel discrepancies and computer violations, for example, appendices F-117, F-122, F-160, and F-185.

(6) When necessary, it is the IMs responsibility to seek the assistance of other directorates to correctly adjust the Due-In File.

(7) Attempt through DP&P to cancel or reduce open PRs and valid contract dues-in (other than those under litigation or investigation) for which research assures there is no identifiable requirement. Attempt also to cancel valid dues-in from sources other than procurement, such as repair. When cancellation or reduction action is determined to be inappropriate, the reason for the determination will be annotated on the SSCS. In addition, furnish necessary PMRC reversals and replacing PMRCs, if applicable, to the distribution activity. The formats for PMRCs are provided in appendix B-18, DIC DU\_ for dues-in from contract instrument sources and appendix B-19, DIC DW\_ for dues-in from other than contract instrument sources.

(8) Should the due-in prove invalid and no procurements were made during the past two years, disposal actions may be initiated for excess above the System Retention Limit, if DSC disposal policy and criteria of chapter 31 are met.

e. REVIEW OF REASON FOR STUDY CODE DI - MODIFICATION OF DUE-IN.

(1) A mechanical review will be conducted monthly based on a System Due-In Review Level for each stocked item of supply. This level will be compared to the sum of assets in Asset Groups 3, 7, 10, 11, 22, 28, and 31. Assets which stratify beyond the Due-In Review Level will then be checked to determine if the value (using Acquisition Unit Cost) of any assets in Asset Groups 7, 11, 28 and 31 exceeds a Dollar Value Restriction. Asset Group 11 assets having Type Due-In Code TD\_/TP\_ are included/applied in AGs 28 and 31 for any computational purposes for items with Logistics Reassignment (LR). Items which exceed this Dollar Value Restriction will have an SSCS with Reason Code DI printed out to the IM. It should be noted that generally there is a delay of a few days between the monthend processes and the running of the first Requirements Daily that produces the SSCS. During this time, it is possible that the due-in position can change due to multiday processing actions. A situation may occur where DI/RP studies are produced. This is caused by substantial demand occurring between the monthend process and the next subsequent Requirements Daily. These should be processed as RP studies.

(2) Items whose assets do not exceed the Due-In Review Level, or exceed this level but the value is less than the Dollar Value Restriction, will not print out.

(a) For ICC 1 or P items (SSC/FSSC equal to 1, 4, 5, 6, 7, 8, or A), a unique Percentage of Procurement Cycle will be established for Low Value items, Medium Value items, and High Value items. The System Due-In Review Level for these items will be computed by taking total requirements through the Procurement Cycle plus the appropriate

Percentage of Procurement Cycle recurring requirements. For ICC 2 or B items, an NSO Due-In Review Level Factor will be computed by multiplying the first through fourth previous quarters of demand (Demands Codes R, N, and I (appendix A-6) by the Management Policy Table 009 NSO Due-In Review Level Factor. To the result of this computation are added depot backorders and any Special Program Requirements and Other Nonrecurring Requirements with Support Dates falling within the Procurement Leadtime and Procurement Cycle. Note, that since NSO items do not contain Procurement Cycle Period months in the Supply Control File, this value is developed (for purposes of this application only) by counting a timeframe equal to the Procurement Leadtime as the Procurement Cycle.

(b) Applicable Asset Groups are:

1. 3 - Serviceable System Stocks On Hand.
2. 7 - Unserviceable System Stocks On Hand Scheduled for Repair.
3. 10 - Unserviceable/Unscheduled Stock On Hand.
4. 11 - Type Due-In Code TD\_/TP\_ assets for items with Logistics Reassignment (LR).
5. 22 - Due-In from Return and Logistics Transfer (excluding AG 11 assets applied as above in subparagraph (b)\_4).
6. 28 - System Due-In on Contract.
7. 31 - System Due-In on PR, including Tentative Due-In.

(c) Assets above the MROP Quantity will be excluded for those nonpreferred items within a family which are not completely substitutable.

(d) A Dollar Value Restriction will be established for each demand value category for ICC 1 or P items, and for the NSO category of ICC 2 or B items. These dollar values will be established by each DSC to determine the values of Asset Groups 7, 11, 28, and 31 (using Acquisition Unit Cost) below which review and action by the IM is not considered economically feasible (DSC experience in cancellation/termination costs and administrative costs will be considered in establishing this restriction). Asset Group 11 only includes Type Due-In Code TD\_/TP\_ for items with Logistics Reassignment (LR).

(3) The quantity to be recommended for reduction depends on the type of item. For ICC 1 or P items, the recommended reduction will be the AGs 7, 11, 28, and 31 assets in excess of the recurring and nonrecurring requirements through the Procurement Cycle period. For ICC 2 or B items, the recommended reduction quantity will be the assets in excess of the last 12 months unit demand (Demand Codes R, I, and N). Asset Group 11 refers to Type Due-In Code TD\_/TP\_ for items with Logistics Reassignment (LR).

(4) Upon receipt of an SSCS with Reason Code DI, the IM should be aware that the SSCS may have generated because the support date of a nonrecurring requirement resulting from provisioning on an established item has passed. The IM must determine action required. The possible actions include:



- (a) Recommended Buy Reduction or Cancellation.
- (b) PR Reduction or Cancellation.
- (c) Contract Reduction or Cancellation.
- (d) Project Order Reduction or Cancellation.

(e) Review of OWRMR and OWRMRP. If an overage to the OWRMRP exists, the overage quantity should be added to the recommended cancellation quantity. If cancellation is effected, the OWRMRP overage will be drawdown equal to the quantity canceled. Drawdown will not exceed the OWRMRP overage quantity.

(5) When cancellation or reduction action is determined to be inappropriate, the reason for the determination will be annotated on the SSCS.

(6) To effect a quantity reduction or cancellation to a Recommended Buy, PR, or Contract, prepare a Master Amendment Document, DIC YPE, in accordance with appendix E-506 P.

f. REVIEW OF REASON FOR STUDY CODE ER - EXTENSIVE REVIEW.

(1) Standard Supply Control Studies, appendix F-167 with Reason for Study Code ER, are generated due to various conditions, and in some cases are not accompanied by Recommended Buy/Repair/Batch Transactions (DICs ZHS, ZGS, and ZSJ). In addition, some studies do not reflect a buy quantity even though they are at reorder point. Reason Code ER is assigned to alert the IM that extensive review is required. It may accompany other Reason for Study Codes requiring review at the same time. Following are conditions that cause generation of the Supply Control Studies with Reason Code ER.

- (a) SPR Requirements with Support Date/Support Month Past Due.

1. When there are SPR requirements with the support date past due and no matching P coded requisitions, the support date for all SPR requirements is established on the first day of the month following the support date. Therefore, anytime a ROP study is generated in a support month with a study date subsequent to the first day of the month, a Reason for Study Code ER will also be assigned. The portion of the SPR requirement with a past due support date can be identified by line 25, column O. Line 17, columns D and H will reflect the total SPR requirement; however, line 43, column B will be reduced by the amount of SPR adjustment reflected on line 25, column O.

2. When SPR requirement records are not purged from the SCF at the end of the support month and a ROP study is generated, the SPR requirement not supported by P code demands will be reflected on line 17, column D but will not be included in column H and line 25, column O; however, the requirement will be included on line 43, column B.

- (b) Provisioning and Other nonrecurring requirements with support date/support month past due:

Requirements for provisioning and other nonrecurring requirements with the support date and/or support month past due are reflected on line 17, columns F and G respectively, but total requirements if reflected on line 43, column B.

(c) The item is at ROP and is subject to deterioration, i.e., shelf-life, and the Stockage Objective (SO) of the item is greater than its Maximum Stockage Objective (MSO). The Stockage Objective and Maximum Stockage Objective are computed as shown in chapter 11, pages 5 and 6. The procurement cycle period and quantity on line 19 of the SSCS, F-167, will not be adjusted. The RSC RP will not be printed. A recommended buy quantity will not be computed on lines 13 or 14, columns O and P, and a delivery schedule will not be computed on lines 56 through 63. The quantity and dollar value excess to the MSO (SO - MSO) will be entered on line 18, columns O and P. If, in the unlikely event, there is also excess to the Rotatable Quantity as identified by an SL Reason for Study Code, the sum of the excess to the Rotatable Quantity and the (SO - MSO) difference will be entered on line 18, columns O and P.

(d) The item is at its ROP and the current on-hand Stock Status Section of the SSCS reflects Condition Code L assets with no corresponding due-in reflected in the Due-In section of the SSCS. These assets are a result of latent defects detected during surveillance of a storage depot and are held pending litigation. This reestablished due-in is reflected in the Due-In File as a Litigation Quantity and is assigned a TDIC L. The one position TDIC prevents posting of due-in to the SSCS. It should be noted that under certain circumstances the recommended procurement quantity may be the exact quantity of the assets in Condition Code L plus any shortage reflected on the SSCS in column L, lines 15 and 16. Whenever the recommended procurement quantity is other than the Asset/Requirement Deficiency, the IM should review the item thoroughly and revisions/modifications to the recommended procurement should be made accordingly.

1. IM will determine the source/cause of L condition materiel through research of the DD Form 1225 and determine the status of the litigation.

2. Upon satisfactory determination of the pending litigation action, initiate action to continue with the procurement (include or exclude Condition Code L materiel) or cancel the procurement in favor of the pending litigation action. If the latter is decided, prepare a DIC ZR4, Item Characteristic Change Transaction in accordance with appendix B-188 to establish a Tentative Due-In Restriction Code (TDIRC). Remove the TDIRC when litigation is satisfied.

(e) The item is at its ROP and system procurement equates to one unit pack however, due to rounding, more than one storage location is designated as a buy back location for one unit pack. When this situation arises, the computer is unable to determine the allocation of the procurement and produces an SSCS, appendix F-167, Reason for Study RP/ER with Recommended Buy/Batch Repair Transactions, DIC ZSJ/ZGS, appendix B-139/140. The SSCS will not have a recommended buy quantity indicated on line 13, column O; however, the system deficiency is indicated on line 26L. The Recommended Buy/Batch Control Transactions

will indicate a zero quantity to be procured. The IM, upon receipt of the aforementioned documents, must determine the location/locations and quantity to be procured based upon local policy, knowledge of the item buy characteristics, and manufacturing minimum for like items of supply.

(f) Due-In Returns and Transfers (Asset Group 22) are available to preclude a recommended buy, excluding Asset Group 11 identified Type Due-In Codes TD\_/TP\_ assets which are applied in AGs 28 and 31 for computational purposes for items with Logistics Reassignment (LR). However, a quantity of one will be recommended in case these assets are unreliable.

(g) Procurement Leadtime (ALT and PLT) was restricted to 630 days. An asterisk (\*) appears on line 43A of the SSCS, appendix F-167. This indicates that a restriction of 630 days (maximum ALT/PLT) was applied during the Requirements Determination Review. The IM must establish the validity of the ALT/PLT data elements recorded in the SCF header. When justified, the study must be manually recomputed and Recommended Buy Transactions adjusted accordingly in accordance with appendices B-139/B-140 and E-193 P/E-140 P. When adjustments are required to the ALT/PLT as a result of validation, initiate DIC ZR3, Supply Control Data Change Document, in accordance with appendices B-189 and E-189 P. When adjustments are initiated and the combined ALT/PLT is still greater than 630 days, manually recompute the buy recommendation and adjust Recommended Buy Documents.

(2) Recommended Buy/Repair Batch Control Transactions will be prepared for all conditions outlined above with the exception of the conditions outlined in subparagraphs (1)(a) and (1)(c) above.

(a) One Recommended Buy Transaction and the Batch Control Transaction with a 1 in the recommended quantity field will be output for items affected by AG 22.

(b) The Batch Transaction and Buy/Repair Transaction for each location having a requirement on line 63 of the SSCS will be prepared for the conditions outlined in subparagraphs (1)(b) and (1)(g) above.

(c) The Batch Control Transaction and one Recommended Buy Transaction will be generated for the condition outlined in subparagraph (1)(d) above.

(3) The IM should thoroughly review all studies with Reason Code ER, and take action contingent upon the condition generating same.

(a) If the ER study is generated due to shelf-life (see subparagraph (1)(c)), determine the appropriate adjustment to ensure that procurement quantities are within the Maximum Stockage Objective. Recommended Buy/Repair Batch Control Transaction will be prepared and input in accordance with appendix E-139 P.

1. If the combined OWRMRP and Safety Level quantities are less than the Maximum Stockage Objective (MSO) (as defined in chapter 11), a manual computation may be made and a procurement cycle quantity of less than 1 QFD may be used. This method may be appropriate in times of budget restrictions, but is undesirable because of manual effort involved. Having determined the system adjusted procurement quantity, multiply this figure by each location's PRDA to allocate stocks.

2. Reduce the Safety Level quantity. This may be done by changing from a variable to a fixed Safety Level, or by reducing an existing fixed Safety Level. Use DIC ZR3, appendix B-189. Do not reduce the Safety Level quantity below the FILL quantity.

3. Reduce the OWRMRP. Normally, the OWRMRP will be adjusted in preference to reduction of the Safety Level or Procurement Cycle.

a. If no procurement is anticipated through the budget period, revise the OWRMRP in the supply control record. Use DIC ZS2, appendix B-181.

b. If procurement is anticipated through the budget period:

(1) Revise the OWRMRP in the supply control record.

(2) Note the dollar value of the OWRMRP reduction.

(3) At the time of initiation of the next procurement, enter the dollar value of the OWRMRP reduction in the OWRMRP drawdown blotter record.

(4) If a reduction in the Procurement Cycle, Safety Level, or OWRMRP is accomplished, the total quantity of the reduction should normally not exceed the quantity on line 18, column O, of the SSCS.

(b) When study is generated due to an SPR requirement with the support month past due, review item file to determine if SPR quantity was included in a previous buy, and if so, reduce the net buy requirement on line 63 of the SSCS accordingly. If the SPR quantity was not previously procured, no adjustment to the net buy requirement (line 63) is required unless some other error is detected during review. Recommend Buy/Repair Batch Control Transactions will be reinput in accordance with appendix E-139 P.

(c) When study is generated due to provisioning and/or Other nonrecurring requirements with the support date/month past due, review the item file to determine if the requirement has been included in a previous buy, if so, reduce the net buy requirement on line 63 of the SSCS accordingly. No adjustment is required if the requirement was not previously procured. Recommend Buy/Repair Batch Control Transactions will be prepared for reentry in accordance with appendix E-139 P.

(d) When study is generated due to condition in subparagraph (1) (e) above, review the item to determine if all or part of the Due-In Returns and Transfers are reparable, or if the Due-In date is so remote that backorders will occur before the assets are received. Based upon the review, initiate action to repair assets, accelerate Dues-In, or procure for stock. Prepare input documents in accordance with appendix E-139 P. Refer also to subparagraph (3) (a) above.

g. REVIEW OF REASON FOR STUDY CODE FB - FIRST TIME ON BACKORDER.

(1) When an item is backordered for the first time, appendix F-19 is output to the IM accompanied by the SSCS with Reason for Study Code FB.

(2) The SSCS Printout is output for informational purposes to the IM, indicating the current stock position, dues-in, as well as management date.

(3) Procedures for review of appendix F-19 and possible management actions contained in appendix E-354 P.

h. REVIEW OF REASON FOR STUDY CODE FH OR FM - FAMILY HEAD OR FAMILY MEMBER.

(1) Appendix A-93, Catalog Change Code CC (UI change), R\_, and D\_, will process 120 days prior to the effective date with an internal DIC ZRY. A change to the Head of the Family will be indicated as Code FH. A Code FM will be generated for the members after the members are bachelorized.

(2) SSCS FH is also generated when an item is added to or deleted from the family relationship. This SSCS will reflect the family status after the family action has been completed.

(3) Ensure that all the appropriate header data information is provided for the former member of the family items.

i. REVIEW OF REASON FOR STUDY CODE FE - FRONT-END SCREENING ASSET REVIEW.

(1) IM receives an SSCS with Reason for Study Code FE daily upon initial receipt of a DIC JDP, Front-End Screening transaction, or DIC JUA, Final Asset Screening transaction, for a replenishment demand stocked items which have a backorder or due-in signal or when the ROP asset comparison quantity is less than four times the ROP/Reorder Review level and the value (using Acquisition Unit Cost) of the material reported is equal to or greater than \$1000.00. In all instances, appendix B-274 will be generated and output for review and action in conjunction with the SSCS. The quantity in this transaction represents excess assets which may be rerequisitioned.

(2) A Reason for Study Code FE SSCS may also be received on a quarterly basis whenever the quarterly Stratification output reflects an apportionment or budget year commitment for a stocked item and there are open DIC JDP/JUA documents in the FESHF for the item. A DIC ZMX Reentry Transaction will also be output reflecting the quantity of assets which may be recouped. An S will be reflected in pos. 77 of the DIC ZMX Transaction to indicate output from the quarterly Stratification process.

(3) Upon receipt of an SSCS with Reason Code FE, and a DIC ZMX Reentry Transaction, IM will review the stock position of the item and make a determination as to the appropriate action to take, i.e., requisition excess assets, take no action to requisition. Based on this determination, the IM must code and reinput the DIC ZMX Reentry Transaction in accordance with appendix E-516 P. As a general policy, every effort should be made to utilize these reported excess assets to the fullest extent practicable in lieu of new procurement. If feasible, existing procurement/repair should be canceled/modified and enough excess assets requisitioned to fill requirements through retention level.

j. REVIEW OF REASON FOR STUDY CODE FR - FORECAST RELIABILITY REVIEW.

(1) The IM receives an SSCS with Reason for Study Code FR when the smoothed forecast becomes reliable for forecasting demand. Note that in determining recurring requirements, new items use fixed QFD computed mechanically at the time of item acceptance by the DSC. However, an exponentially smoothed forecast is also computed and maintained but not used until it becomes acceptable for forecasting. This study, therefore, applies only to new items (indicated by Age of Item Code N). Its preparation occurs after the smoothed forecast has been updated.

(2) The reliability check is a standard which is applied automatically to new items assigned ICC (refer to appendix A-87). Procedurally, those actual demands which are considered recurring for forecasting purposes are divided by the previous smoothed QFD (for VIP items, applicable demands of the month just completed are divided by one third the previous QFD). If the resulting answer ranges from 80 percent through 120 percent, the smoothed QFD is considered reliable for forecasting and the SSCS with Reason for Study Code FR is prepared.

(3) It is the IMs responsibility to review the SSCS and determine that the smoothed QFD is acceptable for forecasting demand. This review should include a check of the previous quarters' actual demand, since the smoothed forecast may be the averaging of a one-time high quarter of demand, or demand may be so erratic - extremely high and then very low - as to preclude a valid forecast. But if forecast is acceptable, IM prepares the input transaction below to change the Age of Item Code to E and permit the use of exponentially smoothed averages in QFD computations.

(4) The applicable input document is: Supply Control Data Change Transaction, DIC ZR3, appendix B-189.

(5) Procedures for preparing Supply Control Data Change Transactions are in appendix E-189 P.

(6) No action is necessary when the smoothed forecast is not acceptable. Use of the fixed QFD continues until the next forecast, after which the Reason for Study Code FR may again be printed.

(7) IMs may use appendix E-189 P to change the Age of Item Code whenever they determine that a New Item with ICC 1 has an acceptable demand pattern. After having been managed by DSC for two years, a New Item automatically receives Age of Item Code E during the quarterly review.

k. REVIEW OF REASON FOR STUDY CODE IC - INTERROGATION TRANSACTION RECEIVED FROM SERVICE ICP.

(1) Service ICPs will submit Interrogation Transaction for Mixed Management Coded Items to the applicable DSC. These interrogations may be of an urgent (DIC JTX) or routine (DIC JTV) nature and will be in the format of appendix B-84. Upon receipt by the DSC, these documents will be mechanically validated and violations processed by the applicable IM in accordance with appendix E-084 V.

(2) Interrogation Transactions passing the validity checks will result in the following computer actions:

(a) Printout two copies of the Interrogation Transaction Listing (appendix F-79) to the ISSC.

(b) Printout of an SSCS with Reason for Study Code IC, to the applicable IM.

(3) The ISSC retains one copy of the Interrogation Transaction Listing for record purposes and forwards the remaining copy to the applicable IM for review and action.

(4) The IM will review the Interrogation Listing and SSCS as follows:

(a) If document is from a Service ICP which has not coded the item as Service managed:

1. Advise the interrogating activity to submit a funded requisition for appropriate supply action.

2. Forward copy of correspondence and the interrogation document to the ISSC for filing.

(b) If document is from a Service ICP which has coded the item as Service managed, review the SSCS to determine availability of assets.

1. Potential excess and/or transferable retention assets will normally be offered on a nonreimbursable basis. Partial quantities will be offered, but quantity offered may not exceed quantity requested.

2. If nonreimbursable assets are not available to fill the total requirement, releaseable retention assets may be offered on a reimbursable basis.

3. If assets are not available to offer to the requesting activity, zero quantity will be entered in pos. 25-29 of the Interrogation Reply.

4. Interrogation Reply Transactions (DIC JSX) will be prepared to respond to all Interrogations in accordance with appendix B-85.

(5) Replies to Interrogation Transactions will be handled in accordance with the urgency of the incoming document.

(a) Urgent Interrogations (DIC JTX): Reply within 36 hours after receipt.

(b) Routine Interrogations (DIC JTV):

1. Prime Items - Reply within 15 days after receipt.

2. I&S Items - Reply within 30 days after receipt.

(c) Replies will generally be made by utilizing the same communications media which were used for the interrogation.

1. Manual keypunch transaction - Refer to appendices B-85 and E-085 P.

2. Message - Prepare message format and forward to ISSC to transmit.

3. Telephone.

(6) Upon completion of action, the IM will forward the Interrogation Transaction Listing and a copy of all outgoing correspondence to the ISSC for retention.

1. IM REQUEST FOR AN SSCS REASON FOR STUDY CODES IB, IM AND IP.

(1) When an IM has a valid reason for requesting an SSCS, one of the following Action Codes will be utilized on the Request for SSCS in pos. 79-80, DIC ZR9, appendix B-179.

(a) IM - Item Manager Request: SSCS has been requested by IM.

(b) IP - General Purpose Supply Control Studies requested for all items in a PGC.

(c) IB - ROP Supply Control Study requested for purpose of initiating a buy (item above ROP). The mechanical process will recommend a procurement for a quantity equal to the Procurement Cycle deficiency. If the item is not deficient to the Procurement Cycle, the quantity recommended for procurement will be zero.

(2) Review of an SSCS requested under Action Code IM is based on the reason the IM requested the SSCS and any other Reason for Study Codes indicated on the printout.

(3) Review of an SSCS requested under Action Code IP will be based on selective item management monthly review of items to effect size changes, procurements to get needed sizes on hand, and capability studies for related groups of items to ascertain budgetary needs and timing as to receipt of items, or other reasons, as necessary.

(4) Review of an SSCS requested under Action Code IB is based on the knowledge the IM has for initiating a procurement when an item has not reached the ROP, when an item has a Tentative Due-In Restriction, or when an item is assigned SSC or FSSC of 6. Also, at DPSC-C&T, an SSCS, Action Code IB, will be generated when an item within a Procurement Grouping Code (00001-09999) has no Procurement Cycle Shortage but has assets due-in (Asset Group 11, 28, or 31). Assets identified in AG 11 as Logistics Reassignment (LR) transfers with Type Due-In Codes TD/TP are applied to AGs 28 and 31 for any computational purposes for items with LR. The IM will review the SSCS and evaluate the recommended procurement for approval/disapproval/additions/revisions. In those instances where the shortage to the Procurement Cycle quantity is less than one-half quantity unit pack, no Recommended Buy/Batch/Repair Control Transaction will be generated.

(5) The mechanical process will produce only one SSCS for an NSN in a cycle. If additional studies are required, a separate SSCS Request Transaction must be prepared using a different ORC for each study required.

(6) SSCS will be prepared only for the Head of a Family. If a request for a study is initiated for a Member of a Family, the Head of the Family will automatically printout.



(7) Applicable documents are:

- (a) Appendix B-139.
- (b) Appendix B-140.
- (c) Appendix B-141.
- (d) Appendix B-179.
- (e) Appendix F-167.

(8) Procedures for preparing the above documents are contained in the following appendices:

- (a) Appendix E-139 P.
- (b) Appendix E-179 P.

m. REVIEW OF REASON FOR STUDY CODE LG - NEW ITEM ESTABLISHED IN THE RECORD AS A RESULT OF LOGISTICS GAIN.

(1) SSCS with Reason Code LG will be produced upon the initial establishment of a new item as the result of a logistics gain. The ORC will be established initially as ZZ. The appendix A-94, Catalog Type of Change Code NG, becomes the NIR Key Code PG in the NIR File, appendix F-109 and becomes the Reason For Study Code LG. The NIR is created 120 days prior to the Date Management of Item Assumed. On the Effective Transfer Date (ETD) the NIR Key Code is changed from Code PG (pending) to C\_ (current). The Reason for Study Code is deleted from the SCF, appendix F-167, during the End of Month process following the ETD.

(2) SSCS with Reason Code LG will be produced one day after the ETD. This SSCS is informational at this point in time. If the ORC is still ZZ, see subparagraph (4) for required action. Otherwise any action must be delayed until the losing inventory manager has had time to complete the transfer of on-hand assets and/or due-in. In addition, the SSCS with Reason Code RP will be suppressed (for action by the IM) until ETD plus 10 days for DSC to DSC transfers and until ETD plus 15 days for Service to DLA transfers.

(3) The following data concerning LR transfers is provided for information for the IM:

(a) For ICC 1 items, if the transferred assets on hand and/or due-in are equal to or greater than the forecasted demands of the LIM through a period equal to the Procurement Leadtime plus the Safety Level and the Protectable War Reserve Assets (OWMRP) of the LIM, if applicable, no further action is required. For ICC 2 items, no further action is required if transferred assets on hand and/or due-in are equal to or greater than one-half of the NSO quantity.

(b) Ten days after ETD the GIM will automatically forward to the LIM a DIC DLA (appendix B-10) in the event of nonreceipt of asset or due-in data. In addition, an F-86A, LR Gain File Listing will be output to the LR Monitor detailing the DIC DLAs sent out.

(c) Within 20 days after the ETD, the LIM should reply to the DLAs with DIC DLBs (appendix B-15) providing asset status. The DIC DLB will be posted to the LRGF and output to the IM on the F-86B if conditions warrant. The F-86B messages are processed in accordance with the instructions in appendix E-085 P.

(4) Upon receipt of an SSCS with Reason Code LG and ORC ZZ, initiate a Supply Control Data Change Transaction, DIC ZR3 (appendix B-189) citing the ORC in pos. 71-72 applicable to the assigned IM. Submit the DIC ZR3 to ODS. Detailed procedures for logistics gains are contained in chapter 8. Data that are considered mandatory for accomplishment of requirements forecasting are not mechanically input on items which have transferred from another DSC. Using the SSCS furnished by the losing DSC, the IM must manually validate/input the following elements: ICC, QFD, (new item), NSO, Demand Value Code, Safety Level Code, and SSC.

(a) Applicable document is appendix B-189.

(b) Procedures for preparing Supply Control Data Change Documents are contained in appendix E-189 P.

(5) The following procedures apply to DPSC-Medical:

(a) Upon receipt by IM of an SSCS with Reason Code LG and a constant 40000 in the PGC Header Data section, the IM will contact MSO who will obtain a new PGC or place this item in an existing PGC. The IM will then prepare a Supply Management Data Change Transaction, DIC ZR2 (appendix B-149), indicating the new PGC assigned by the MSO. If a new PGC is not obtained, stock buys cannot be processed.

(b) Procedures for preparing Supply Management Data Change Documents are contained in appendix E-149 P.

(6) For Reason for Study Code LG when the NIRF has a Type LR Code of A, F, K, L, M, or N and the processing date is subsequent to the ETD of the item, a SSCS will be output with Reason Code LG and any other applicable reason for study codes except for Reason Code RP which will not be output until after the End of Month (EOM) process following the ETD. If the processing date for a NIRF LG item with Type of LR Code A, F, K, L, M, or N is within 10 days of ETD, the item will continue to recycle until the first cycle after the ETD of the item.

n. REVIEW OF REASON FOR STUDY CODE LL - LOGISTICS REASSIGNMENT LOSS ACTION.

(1) Based on criteria established in chapter 8, the computer will produce an SSCS (appendix F-167) with Reason for Study Code LL which is a notice of Logistics Loss. Studies received that contain ORC 093 should be forwarded to the Materiel Support Branch, Logistics Monitor, for forwarding to the GIM. Studies intended for the IM will reflect the IMs ORC and be produced 150-120 days and 60 days prior to the ETD as indicated in the Catalog Effective Date field of the SSCS Header. A SSCS with Reason for Study Code LL will not be output to the LR Monitor for Intra-DLA transfers.

(2) The IM will accomplish the following actions 150-120 days prior to the ETD:

(a) Input a Procurement Cycle Period in months of no more than four months and a Procurement Cycle Period Code F (Fixed), in accordance with appendix E-189 P, if the item is an SSC other than 2, 3, or 9 and the item is an ICC 1 or P, Replenishment Demand item.

(b) Input an SSCS Low Value Demand Code Y, DIC ZR4, in accordance with appendix E-188 P, which will prevent automatic buys from being generated.

(c) To ensure recognition for other than SSC 2, 3, or 9 items, the Peculiar Management Code field should be annotated with LOG LOSS 77151 CT indicating a loss on Julian date (77151) to gaining Catalog Activity (CT).

(d) Discontinue initiating disposal actions for issuable wholesale assets which are in an excess position. Continue disposal actions for condemned materiel.

(3) The IM will accomplish the following actions 60 days prior to the ETD:

(a) If there is an OWRMRP on the item, the IM will obtain a printout of Report of OWRMRP Proportionate Share (appendix F-174B) by submitting an OWRMRP Document (DIC ZS2, appendix B-181) with Action Code AQ as described by appendix E-181 P and chapter 59.

(b) If there are SPRs on the item and the GIM is another DSC, the IM will receive an F-251 for inclusion in the item jacket folder.

(c) The SSCS and the appendices F-174B and F-251 will accompany the item jacket folder that is mailed to the GIM one day prior to ETD.

(d) Discontinue redistribution of stock.

(e) Discontinue scheduling repair of Conditions F and G materiel.

(f) Discontinue initiation of ADCM action for stock.

(g) Request acceleration on a continuing basis of classification of stock held in suspended status (Conditions J, K, and L).

(h) Review book balances of NSNs involved for invalid data and adjust as required prior to ETD.

(i) Provide the latest status of assets in litigation to the LR Monitor.

(j) Withdraw items reported for DoD utilization screening for items with a Mixed Managed Code and discontinue disposal action.

(k) If Service-owned stocks commingled with DLA-owned stocks are involved in LR, request applicable Service(s) to furnish disposition instructions in accordance with provisions of volume I, part 1, chapter 14.

(l) Establish control to ensure item jacket folders are forwarded to the LR Monitor, Materiel Support Branch, for consolidation and mailing to the GIM on the last working day prior to the ETD.

(4) Ten days after ETD there is a possibility that the LIM will receive DIC DLAs (appendix B-10) from the GIM for those items involved in LR for which the GIM has not received asset data. When a DIC DLA is received, the LR Monitor will research the Due-In File and the THF back to the ETD. The appropriate Asset Transfer Status Code (appendix A-32) will be provided to the GIM using a DIC DLB (appendix B-15). DIC DEE/DEF and/or DDX/DFX transactions will also be prepared and forwarded to the GIM, if applicable.

o. REVIEW OF REASON FOR STUDY CODE MF - MISSING MANDATORY DATA.

(1) The ODS prepares a SSCS with Reason for Study Code MF for the following reasons:

(a) For SSC 2, 3, or 9 items that are changed to a future SSC A, 1, 4, 5, 6, 7, or 8 regardless of the ICC or the data contained in the SCF. This generally occurs 120 days prior to the effective catalog date and is produced for review and modification as necessary.

(b) For ICC 1 or P, whenever the computer process cannot construct a forecast because one or more of the following data elements are missing:

1. Acquisition Cost.
2. QFD System/New.
3. ALT.
4. PLT.
5. Procurement Cycle Period Months.
6. No PRDAs are established or the PRDAs do not equal 1.000.

(c) For ICC 2 or B whenever the computer processes cannot construct a forecast because one or more of the following data elements are missing:

1. Acquisition Cost.
2. ALT.
3. PLT.
4. NSO Quantity. (This occurs whenever a DIC ZRY precipitates a check of the NSO Quantity field 120 days prior to catalog effective date.)
5. No PRDAs are established or the PRDAs do not equal 1.000.

(2) DIC ZRY magnetic tape transactions, which are an internal computer process, establish the UI, Acquisition Cost, and SSCs in the files affecting requirements and distribution.

(3) The remaining mandatory data elements can be established by preparing a document in accordance with appendix B-189 or appendix B-64.

(4) SSC 2, 3, or 9 items pending a future SSC A, 1, 4, 6, 7, or 8 change:

(a) SCF will forecast a buy after the applicable mandatory data elements are input. However, the MILSTRIP requisitions for SSC 2, 3 or 9 items with a future pending SSC change will not be automatically placed on depot backorders (BB) until the effect date of SSC change.

(b) If the IM requires a review of MILSTRIP requisitions to manually backorder the documents, a DIC ZJM, appendix B-142 will have to be input with a Manager Review Code (appendix A-70) D or B in pos. 65.

(c) Requisitions will mechanically process for direct shipment (BV) when there is no Manager Review Code B or D recorded in the NIR.

p. REVIEW OF REASON FOR STUDY CODE MR - MERGER REORDER POINT.

(1) The IM receives a daily SSCS with Reason for Study Code MR when assets for an SSC 6 partially substitutable item are less than the ROP. When this SSCS is received the IM should review the nonpreferred item (Merger Family Number) for merger into the Family. If this merger cannot be affected (i.e., UI different) or the nonpreferred item is being replaced by the Family Head, the IM should investigate the possibility of cancellation action for the nonpreferred item. If cancellation is desired, an IOM should be forwarded to DTO requesting cancel/use action against the nonpreferred item.

(2) The IM may have previously determined that a Head of the Family SSC 2, 3, or 9 item should not be changed to a stocked category; or a Head of the Family having a UI different from that of the member item should not have a UI change (i.e., uneconomical); or the Head of the Family is a GPN and a new NSN is not required at the time. SSC 6 Standardization Status Code 3/E items not having a recorded Head of the Family NIIN in the SCF will be reviewed in the monthly process. This process will generate an SSCS with Reason for Study Code MR, which will be output to the IM 60 days prior to the item reaching its ROP for ICC 1 or P items or, for ICC 2 or B items, whenever the NSO Reorder Review Level plus a quantity of one is reached.

(3) The following are general guidelines for all MR studies, either from the Daily or Monthly Process:

(a) Upon receipt of the SSCS with Reason for Study Code MR, the IM will determine which IM is responsible for management of the family head (preferred item). If the receiving IM does not manage the family head, the SSCS will be passed to the IM responsible for the family head. The IM of the preferred item is required to establish the nonpreferred item(s) in the appropriate family. Family Number Change Transaction, DIC ZJS, appendix B-171, will be utilized to establish the family number.

(b) Prior to the SSC 6 item reaching the ROP a Supply Management Data Change Transaction, DIC ZR2, appendix B-149, should have been initiated to record the merger family number in the SCF. Therefore, the IM should be able to obtain the family number from line 4 of the Heading Data on the SSCS.

(c) A Family Number Change Transaction can be initiated at any time but merger of Family Numbers with the Head of the Family is accomplished monthly.

(d) Applicable document is appendix B-171.

(e) Procedures for preparing the Family Number Change Transaction are contained in appendix E-171 P.

q. REVIEW OF REASON FOR STUDY CODE MS - MARKET SURVEY REQUESTED.

(1) This code indicates that the NSN has reached its reorder point or the IM has requested a SSCS (DIC ZR9, Action Code IB) and the NSN is being subjected to review under the provisions of the CISP Plan.

(2) In addition to the research required for other Reason for Study Codes, the IM will review the Interim CISP - Buyers Control List - Request for Market Survey Being Processed, to ascertain if a determination has been made as to whether the item is commercially available.

(a) If the Market Survey results have not been annotated on the list, contact DP&P to obtain status on the Market Survey. If DP&P indicates that the Market Survey results will not be immediately available, revise the procurement quantity to equal a maximum of six months demand plus system deficiency, code as nonrepresentative, approve and release the Recommended Buy.

(b) When it is determined that the item is commercially available, the Recommended Buy will be canceled by processing the DIC ZSJ, Control Code DH. Additionally, action will be taken to code the item SSC 2 or 3 in accordance with provisions of the CISP Plan.

(c) When it is determined that the item is not commercially available, the Recommended Buy will be approved and released. Additionally, action will be taken to delete the Market Survey Indicator and revalidate the SSCS Low Value Code in accordance with appendix E-188 P.

r. REVIEW OF REASON FOR STUDY CODE NN - NEW ITEM ESTABLISHED AS A RESULT OF PROVISIONING OR ACTION OTHER THAN LOGISTICS GAIN.

(1) SSCS with Reason Code NN will be produced upon the initial establishment of a new item as a result of provisioning or action other than logistic gain item. Appendix F-167 is produced when the dollar value of the initial buy is greater than the Automatic Provisioning Buy Dollar Value. This value is equal to 10 times the figure entered in pos. 33-35 of Management Policy Table 018. The ORC will be established initially as ZZ. The appendix A-94 Catalog Type of Change Code NN becomes the NIR Key Code PN in the NIR File, appendix F-109, and becomes the Reason for Study Code NN. The NIR is opened 120 days prior to the Date Management of Item Assumed. On the effected date the NIR Key Code is changed from Code PN (pending) to C (current) and the Reason for Study Code is deleted in the SCF, appendix F-167.

(2) Upon receipt of an SSCS with Reason Code NN and ORC ZZ.

(3) There is another condition that will generate a Reason For Study Code NN other than a new item established as a result of Provisioning or action other than Logistics Gain. A NN study will be generated upon receipt of a LTI/ZZA transaction indicating a update/change was made to SAMMS TIR. This is the result of DLSC TIR incompatibility with SAMMS TIR requiring a ZRY change. No action is required.

(a) Initiate a Supply Control Data Change Document, DIC ZR3, citing the ORC in pos. 71-72 applicable to the assigned IM. The DIC ZR3 transaction will be received as a preprinted/repunched transaction.

(b) The following procedures apply to DPSC-Medical:

1. Initiate a DIC ZJM, appendix B-142, citing the applicable Special Item Code appendix A-111, in pos. 22 as follows:

a. Special Item Code K, if the item is a Drug Abuse Item adopted by the Defense Medical Materiel Board.

b. Special Item Code L, if the item is a Medical Repair Part Item.

c. Special Item Code M, if the item is a Medical Item adopted by the Defense Medical Materiel Board.

d. Special Item Code R, if the item is a Narcotic Item adopted by the Defense Medical Materiel Board.

e. Special Item Code N if the item is a non-Medical item to be managed by Medical (S9M).

f. If the item is Potency Dated Materiel adopted by the Defense Medical Materiel Board, enter 1 (numeric one) in pos. 57 of the DIC ZJM. Submit the DIC ZJM to ODS for processing.

2. Upon receipt by IM of the SSCS with Reason Code NN and constant 40000 in the PGC Header Data Section, the IM will contact MSO who will obtain a new PGC or place this item in an existing PGC. The IM will then prepare a Supply Management Data Change Transaction, DIC ZR2 (appendix B-149), indicating the new PGC assigned by the MSO. If a new PGC is not obtained, stock buys cannot be processed.

(c) The following procedures apply to DPSC C&T:

1. Initiate a DIC ZJM, appendix B-142, citing the applicable Special Item Code, appendix A-111, in pos. 22. If multiple codes apply to the NSN, submit separate DIC ZJM transactions in accordance with appendix E-142 P.

2. Initiate a DIC ZNP, appendix B-132, citing the applicable Cloth Multiplication Factor in accordance with appendix E-132 P.

(d) If the new item is established as an Effective Date of Supply Item (EDOS), initiate an Item Management Data Change Transaction, DIC ZJM (appendix B-142), with an F in pos. 21 (NIR Key Code). In addition, enter the EDOS in pos. 52-55. The F will remain in the record until it is manually changed by the IM when sufficient stocks are on hand to

permit full scale requisitioning for the item. As long as the F is retained as the second position of the NIR Key Code, the requisition will be processed according to EDOS Requisition Processing Edit. Requisitions for items containing Key Code PR or CF received at DSCs other than DPSC-Medical will process through the SAMMS Requisition Edit if the processing date is five days or less from the EDOS. If the processing date is six or more days from the EDOS, the requisition will be cancelled with Status Code CV. CONUS requisitions for items containing Key Code CF or PF received at DPSC-Medical will be cancelled with Status Code CV if the processing date is 31 days or more from the EDOS, regardless of whether assets are available for issue. CONUS and overseas requisitions will be processed through the SAMMS Requisition Edit if the processing date is 30 days or less from the EDOS. Overseas requisitions will be processed for attempted shipment of assets and/or direct delivery if the processing date is 31 days or more from the EDOS. These requisitions will never be placed on BB backorder.

NOTE: EDOS dates will be compared to current dates monthly with the processing of the NIR update run. EDOS dates within 60 days of the current date will cause output of an appendix F-163, Notice of Pending Expiration of EDOS, to applicable ORC. This output will be processed in accordance with the instructions outlined in appendix F-163.

(4) Procedures for preparing Supply Control Data Change Transactions are contained in appendix E-189 P.

(5) Procedures for preparing Cloth Multiplication Factor Documents are contained in appendix E-132 P.

(6) Procedures for preparing the Item Management Data Change Transaction are contained in appendix E-142 P.

(7) Procedures for preparing Supply Management Data Change Transactions are contained in appendix E-149 P.

(8) Newly provisioned items appear as Reason Code NN.

s. REVIEW OF REASON FOR STUDY CODE NS - RECOMMENDED NUMERIC STOCKAGE OBJECTIVE ITEM.

(1) At the time of the annual review, Replenishment Demand Items in ICC 1 will be checked for the number of demands recorded in the Demand History File during the past four quarters.

(2) An SSCS with Reason for Study Code NS, and a Recommended Add/Delete NSO Listing, part 1, (refer to appendix F-8) will be received when the number of units of the item requisitioned is less than 12, and/or the number of demands is less than three.

(3) The IM should review the SSCS, keeping in mind that this replenishment coded item has a demand pattern that indicates that the item warrants review to determine if criticality or essentiality exist to continue as stock type item. In addition, past, present, or forecasted future demands should be reviewed and/or researched to determine the proper ICC. Items coded or identified as Weapon System Items, Fill, and so on, must be retained as NSO type item even when void of demand experience past or present. These types of items require a



revision in ICC from 1 or P to 2 or B and the establishment of a NSO Level, actual or forecast. For past demand patterns, compare the demand trends available in the current quarter, past four quarters, if required, and/or research for any Service interest additions or deletions.

(4) When revision to the ICC is required, the IM will initiate a Supply Control Data Change Transaction, DIC ZR3, appendix B-189. Also, at this time, the IM should enter a NSO Quantity on the ZR3 document.

(5) Procedures for preparing Supply Control Data Change Transactions are contained in appendix E-189 P.

(6) The Recommended Add/Delete NSO Listing, part 1, is provided for management and/or control purposes to ensure that all items are reviewed.

t. REVIEW OF REASON FOR STUDY CODE OT - OUT-OF-TRACK.

(1) The Tracking Signal procedure measures the System Demand Forecast for a given time period and the demands that occur in that time period.

(2) An SSCS with Reason for Study Code OT will be received when an item's demand forecast has been out-of-track twice in successive forecast periods in the same direction while using the correcting alpha value.

(3) A review of the SSCS is required by the IM to analyze the demand data and to validate the present method of forecasting on the item. This review may require revisions to the QFD and/or ANRDP (High Value Demand Items only).

(4) The QFD will not normally be changed unless the demand data has been distorted to a point where the mechanical updating of the forecast will not bring the item in line.

(5) If the IM determines that the QFD should be revised, follow the procedures as outlined in subparagraph ak(7) below.

(6) If the ANRDP used in the QFD computation (High Value Demand Items only), is causing the out-of-track condition the IM may change the ANRDP by preparing a Forecast Data Change Transaction, DIC ZSF, appendix B-64.

(7) To effect the manual change, the Inhibit Code, appendix A-114, applicable to the ANRDP must be P or T. Use appendix E-064 P directions to input the new ANRDP and/or ANRDP Inhibit Code. Procedures for preparing Forecast Data Change Transactions are contained in appendix E-064 P.

u. REVIEW OF REASON FOR STUDY CODE PB - POTENTIAL BACKORDER.

This Reason for Study Code indicates that the asset position of this item is insufficient with on hand and/or due-in within the next 45 days to satisfy 60 days demand/requirements. In addition, there have been no SSCSs with Reason for Study Codes AW, WS, PO, RP, RG, or RS generated within the past 30 days for this item.

V. REVIEW OF REASON FOR STUDY CODE PF - PROGRAM CHANGE FACTORS APPLICABLE.

(1) Upon receipt of the ZRY Catalog Notification, 120 days in advance of the catalog effective date, the computer will generate an SSCS, Reason Code PF when Type of Change Code RA, Cancel as Duplicate (Consolidate With) is contained in the ZRY and both NSNs have different program change factors or only one NSN is assigned a program change factor.

(2) Upon receipt of the ZRY Catalog Notification, 120 days in advance of the catalog effective date, the computer will generate an SSCS, Reason Code DD, resulting from Type of Change Code DL (Cancel Use - Superseded By).

(3) For SSCS, Reason Code PF with Type of Change Code RA, Cancel as Duplicate (Consolidate With), the Program Change Factor Applicability Code will be mechanically changed to an X on the replacing item, indicating program change factors do not apply and NSNs will be merged without application of program factors.

(4) If program change factors were furnished by the Services, they will not be made identical and/or deleted without the concurrence of the Service submitting the factors. Such concurrence will be obtained by letter or TWX.

(5) For Type of Change Code RA, the factors should normally be identical for the same Service.

(6) For Type of Change Code DL, the application and usage of both NSNs must be known prior to determining if factors should be made identical and/or deleted.

(7) If program change factors were established by the DSC, decision to change or delete factors rests with the IM.

(8) When concurrence has been received from a Service to revise or delete a program change factor, or decision has been made to revise or cancel a DSC-generated Program Change Factor, prepare Item Program Change Transaction, DIC ZSC, in the format of appendix B-187 in accordance with appendix E-187 P, and forward through keypunching services to ODS for processing.

(9) Program change factors will not be used in forecasting requirements unless they are identical for the replacing and replaced NSNs. A period of 120 days will be allowed to align the factors and/or delete same on one NSN.

(10) Applicable document is appendix B-187.

(11) Procedures for preparing Item Program Change Transaction are contained in appendix E-187 P.

w. PROCUREMENT GROUPING PG - PROCUREMENT GROUPING CODE ASSIGNMENT/  
CORRECTION.

(1) A ZRY causing catalog change with Reason for Study Codes NN/NG for logistics gains or DD/LL for logistical losses will combine with Reason for Study Code PG indicating a need for proper, appropriate MPT011 assignment/maintenance.

(2) Additionally, as a result of various compatibility validations, a PG Reason for Study Code will be generated indicating inappropriate/incorrect PGC assignments which are inconsistent with MPT011/PGC assignment criteria. For example, if more than one NSN were assigned to a bachelor PGC (within PGC 10001- 39999 series), a PG Study Code would be generated indicating the improper/incorrect assignment and requiring correct maintenance to bring the MPT011, PGC, and NSN(s) into line with the specified criteria.

x. REVIEW OF REASON FOR STUDY CODE PO - POTENTIAL STOCK OUT.

(1) A Redistribution Review Level will be utilized to identify a potential out-of-stock position at a SSD, NSC Norfolk or NSC Oakland. The FILL quantity in the SCF will be compared to the sum of that SSDs Condition Code A/Purpose Code A assets in Asset Group 3 and 24. Only Asset Group 24 assets due-in within 75 days are included. Redistribution is not considered appropriate and should not occur if there is a contractual due-in to the SSD with 75 days. If the FILL quantity is equal to or greater than the asset quantity at either NO\_/NN\_ or both and sufficient system issuable assets are available, an SSCS, Reason for Study Code PO will be output along with a prepunched/preprinted DIC A2A, Redistribution Order Transaction.

(2) If there is a FILL deficiency and sufficient system issuable assets, above the SSD assets, are not available, only the SSCS, Reason for Study Code PO will be generated. The total FILL deficiency and total cost will be indicated in line 22, columns O and P of the SSCS. The IM will determine the desirability of redistributing stocks.

(3) If redistribution action is considered appropriate, it should be made only when an economical shipment can be accomplished. Consideration should be given to the costs of selecting, packing, marking, shipping, receiving, and locating versus the quantities/dollar values of items to be redistributed.

(4) A decision for redistribution should consider the total SSD deficiency; SPR, FILL, backorders, (PRDA X QFD) minus assets. Generally, total system OH assets should be 8 X QFD or greater or for NSO items, equal to or greater than the NSO items, equal to or greater than the NSO quantity. However, the IM may determine that considering overall system requirements and expected issues, a lower total system assets level can be chosen and the SSDs total deficiency can be redistributed.

(5) Whenever on-hand issuable assets are not equal to or greater than two years (or not equal to or greater than one NSO) the IM should redistribute only the SSD FILL deficiency. However, every effort will be made to redistribute an economical quantity in accordance with subparagraph (3) above and local redistribution procedures.

(6) When the decision is made to not redistribute the FILL deficiency quantity in the prepunched transaction, the IM will revise or destroy the transaction, as appropriate.

(7) Redistribution Order Transactions are prepared in the format outlined in appendix B-005, in accordance with appendix E-005.

y. REVIEW OF REASON FOR STUDY CODE PV - PROVISIONING QFD.

This Reason for Study Code indicates that the requirements for an item, as reflected on the SSCS, have been computed using the Provisioning QFD instead of the QFD (System) or QFD (New). The Provisioning QFD is a quantity equal to 1/4 of the Replenishment Quantity in the original provisioning transaction which established that item in the supply system (a Code P in the first position of the Mixed Management Code field in the header portion of the SSCS will indicate the item entered the system via provisioning).

z. REVIEW OF REASON FOR STUDY CODE PU - PROVISIONING SUPPLY CONTROL RECORD UPDATE.

This Reason for Study Code will be output to notify the IM when the Provisioning Supply Control Record (SCR) of the SCF has been updated as a result of processing an internally generated DIC ZR8. The DIC ZR8 is generated by the Provisioning Application and passed to the Requirements process when a Design Change Notice, received by Provisioning, is requesting a change to either the retail or replenishment quantity or the Support Date. DLAM 4130.3, Volume II, Part 12, Appendix F-204A will identify the revised data fields.

(1) The SSCS will be output to the ORC of record for the NSN reflected in position 8-20 of the DIC ZR8.

(2) A Provisioning Requirement Listing, Reply to Inquiry, F-106 reflecting the updated provisioning trailer information will also be output to the ORC of Record.

(3) A Provisioning Design Change Notice List, F-204A will accompany the SSCS and the F-106. The F-204A will reflect the before and after condition of the Provisioning Control History File.

aa. RB - (RESERVED FOR FUTURE USE).

ab. REVIEW OF REASON FOR STUDY CODE RE - INACTIVE ITEM RETENTION DECISION.

See Reason for Study Codes RE-UW.

ac. REVIEW OF REASON FOR STUDY CODE RG - REORDER POINT - MINIMUM PROCUREMENT CYCLE.

Items which have similar characteristics are identified as using GFM materials, or for which simultaneous procurement is advantageous will be assigned to a Procurement Group. When one item (member) within a group reaches its ROP, all members of the group will be reviewed to determine which items will reach their ROP within the group's minimum (shortest) procurement cycle. These items will then printout on an SSCS with a Reason for Study Code RG.

(1) This SSCS is generated as a result of a mechanical review of all members of a procurement grouping that is initiated whenever one item within the grouping reaches item ROP.

(a) The SSCS of the item that has reached its ROP will reflect Reason for Study Code RP.

(b) The SSCS of the item(s) that will reach its (their) ROP within the grouping's Minimum Procurement Cycle will reflect Reason for Study Code RG.

(c) Reason for Study Code RX will appear instead of RP or RG if disposal has taken place on the item under study within 180 days prior to the study.

(d) SSCS may be received with Reason for Study Codes RG/RP and show no Recommended Buy quantity on lines 57 through 63. Normally, for a non-PGC Recommended Buy the Reason for Study Codes RP/ER indicate that the items QFR or DIC FTE due-in transactions were used in reducing the Procurement Cycle Period (PCP) to such a low state that an IM Extensive Review (ER) is required. However, a PGC RP/RG SSCS that was reached due to the inclusion of the Minimum Procurement Cycle Months to the ROP of a PGC item may indicate a buy when the adjusted ROP is compared to the ROP Asset Comparison Quantity. Subsequently, the item's asset are applied and the line 52, other due-in assets (i.e., normally DIC FTE transactions), which were not included in the ROP Asset Comparison Quantity are subtracted from the PCP Recommended Buy quantity. This could result in a no buy quantity (i.e., total buy is 100, ROP Asset Comparison is 90, result in Recommended Buy for 10. The line 52 assets of 20 would cause generation of RG/RP study with no buy quantity reflected).

(2) With the SSCS the IM will receive:

(a) Appendix B-139.

(b) Appendix B-140.

(c) Appendix B-141.

(3) The quantity being recommended by the computer for procurement/repair for the item under study will equal that quantity required to satisfy the balance of the item's procurement cycle period. One PR number will be assigned for the sum of the recommendations for the procurement grouping. Individual grouping members will be assigned to item numbers under the grouping's PR number.

(a) Review of the SSCS is to be accomplished in conjunction with summary SSCS prepared for the procurement grouping and in accordance with the procedures outlined under Reason for Study Code RP. The summary SSCS will show the ORC Record, the PGC, and will consolidate the section II System Analysis, for all members of the PGC. Summary SSCS are prepared only for sized items. Currently, DPSC-Medical Sized Items are in PGC 05000 through 07999. All DPSC-C&T Sized Items will be in PGC 00001 through 04999 and in the future DPSC-Subsistence Sized Items will be in PGC 08000 through 09999.

(b) Procedures for processing the Recommended Buy/Repair Transactions (DICs ZSJ, ZHS, ZGS) are covered in appendix E-139 and are expounded under Reason for Study Code RP.

ad. REVIEW OF REASON FOR STUDY CODE RP - REORDER POINT.

(1) This code identifies an SSCS prepared for the IMs review when an item has reached its ROP, and for which procurement/repair is recommended. In addition to the SSCS, the computer will prepare:

(a) Appendix B-139 for each storage location for which procurement is recommended.

(b) Appendix B-140 for the entire recommendation.

(c) Appendix B-141 for each storage location for which repair is recommended.

(2) These documents are related to the SSCS prepared and are used to effect the IMs approval, revision, or cancellation decision for the recommendation.

NOTE: Recommend Buy/Batch/Repair Control transactions with one in the recommended quantity field will be generated with an RP Study if the stratified returns satisfy the procurement cycle shortage. The purpose of printing an SSCS is to enable the IM to decide whether or not the return (due-in or forecast) is realistic. In some instances, the IM may need to query the customer to determine whether or not the return is valid. If the return is valid, the IM may want to expedite the quantity based on the stock position of the item and cancel the buy. If the return is considered invalid or unreliable, the IM will probably decide to revise quantities and approve the buy.

(3) Whenever an SSC 6/FSSC N item without a recorded Head of the Family merger NIIN has reached its reorder point, or whenever catalog action is incomplete, the RP study indicates that a cancellation action is probably required. This will occur for items replaced by next higher/next lower assemblies or where the Head of the Family had a different UI. Based on the original REPLACED BY technical decision and asset drawdown, the item should be canceled in accordance with appendix E-171 P.

(4) Since the stratification of assets against requirements is accomplished mechanically, the most important function of the IM in reviewing the SSCS is to ensure that all known requirements have been identified, and that all available resources have been assessed against those requirements. Some areas require constant attention and are identified below, but these areas in themselves do not represent an all inclusive list of data that must be reviewed by the manager.

(a) Whenever a reorder point SSCS is generated for an item recently gained through logistic reassignment (Type LR Code A, F, K, L, M, or N) and DATE MGT OF ITEM ASSUMED is less than 40 days in the past, check with the LR Monitor to ascertain if on-hand assets or dues-in are expected to be received from the Losing Inventory Manager (LIM). See reason for study code LG for more information on the processing of LR transfers.

(b) Whenever a reorder point SCS is generated for an ICC B item, review the historical demand data to ascertain whether the number of demands received warrants reassignment and management of the item as an ICC 1 (replenishment demand item).

(c) Current demands being accumulated do not indicate a significant upward, or downward trend that should be taken into account in the recommendation.

(d) When processing buys for established items, consideration should always be given to reducing the NSO quantity in lieu of approving the recommended buy. Except for items identified as essential to a weapon system, consideration should always be given to reclassifying the item to nonstocked status when assets are at or near zero. Any residual assets should be reviewed for retention or disposal in accordance with existing policy. New items will continue to be managed in accordance with existing provisioning and logistics reassignment policies.

(e) If the Recommended Buy/Repair Quantity includes SPRs recorded in the SCF SPR Trailer Record with Status Code PA and an asterisk (\*) following the SPR Quantity, confirmation of the SPR by the forecaster will be required. A printout of all SPRs from the SPR Trailer Record, appendix F-251, for that FSC and Family Number will be forwarded to the IM the following cycle. Only those SPRs with Review Code R in the SPR Trailer Record require confirmation.

(f) Assets shown as serviceable are in that condition and have not been reclassified at the storage location and for some reason continued to be counted as unserviceable at DSC.

(g) Due-in data reflect the most current status.

(h) The positioning of stocks on the recommendation accomplishes the most effective supply, at the least cost with a minimum of redistribution.

(i) The quantity of materiel, if any, being held in Purpose Code N will not place item in an overprocured position, if recommendation is approved and anticipated FMS requirement does not occur.

(j) Demand Code O is not recorded in section I although requisition quantity can appear as a depot or Direct Delivery Backorder in section II, and does not require confirmation unless quantity on Depot Backorder represents a significant increase in the buy quantity and/or dollar value. To determine which requisitions have Demand Code O, obtain an F-145, Backorder Listing, then obtain an F-114, Requisition Control/Status Printout, for the questionable quantities and validate according to procedure indicated in appendix E-127 P, subparagraph 4c.

(k) Whenever an ROP SCS is generated for an item which reflects a RP/NN RFSC. Additionally, it may be identified by the Fund Classification Codes DA, DB, DC, and DD in pos. 49-50 of the Recommended Buy Transaction, DIC ZHS, appendix B-139, which accompanies the RP/NN SSCS, if the item is a newly assigned provisioning item entering the DLA Supply System.

(1) Whenever an ROP SCS is generated for an item which reflects an OWRMRP quantity (line 14, column H), the following conditions should be reviewed and corresponding actions taken:

1. When the OWRMRP requirement (line 14, column H) is greater than the OWRMR requirement (line 22, column G) action should be taken to reduce the OWRMRP to the level of the OWRMR by use of DLA Form 894, in accordance with appendix E-181 P procedures. The buy quantity, as reflected on the SSCS, will be reduced by the quantity of the OWRMRP reduction. In no case will the OWRMRP reduction be greater than the buy quantity.

2. The OWRMRP (line 14, column G) should be reduced by the buy quantity reflected on the SSCS each time the ROP is reached until the OWRMRP is reduced to 0. This action should be taken regardless of any OWRMR quantity which may be reflected on line 22, column H.

(m) The Recommended Buy quantity reflected on line 13, column O of SSCS is adjusted to unit pack, minimum System Buy Dollar Value (table 018), shelf-life, and SPRs with current month support dates. Items that carry a Minimum Procurement Quantity as a data element in SCF will print out for IM review under Low Procurement Review Reason Code 08, appendix A-99. The quantity recommended for procurement by the computer will not be increased to the Minimum Procurement Quantity. Since a Minimum Procurement Quantity generally applies to an item which requires industry to set up a production line the IM must, through thorough research, determine if the recommended buy quantity should or should not be increased to the Minimum Procurement Quantity.

(5) Phased delivery applies only to High Value Replenishment Demand items. The number of deliveries is determined by dividing the PCP by the Operating Level. If this value is greater than 1 and not greater than 2, there will be two deliveries scheduled. If this value is greater than 2 and not greater than 3, there will be three deliveries scheduled. If phased delivery is not desired, manually input DIC ZR3, DLA Form 862, to set Operating Level equal with the PCP Months.

(6) If quantity of materiel held in Purpose Code N is significant, has been held for over 90 days, and could place the item in an overprocured position if the anticipated requirement is not received and procurement/repair is approved, the IM must contact the MAP Requisition Control Activity of the Service the materiel is being reserved for, to determine if the requirement is still anticipated. If the reply to this query is negative, the IM must prepare a DIC DAD, Materiel Adjustment Transaction (appendix B-22), to effect the transfer of the materiel to Purpose Code A and decrease the recommendation by that amount.

(7) Total Approval of Recommendation: Annotate Recommended Buy/Repair/Batch Control Transaction, DIC ZSJ, with Action Code DA in pos. 79-80 and forward to ODS for input to the computer. Discard the other transaction (DIC ZGS/ZHS).

(8) Revision:

(a) Data elements applicable to Buy/Repair action (DICs ZHS and ZGS) that can be revised are:



1. Representative Buy Code (DIC ZHS), pos. 48.
2. Fund Classification Code (DIC ZHS), pos. 49-50.
3. Storage Location (DIC ZHS), pos. 51-53.
4. Ownership/Purpose Code (DIC ZHS), pos. 54.
5. Required Delivery Date (DIC ZHS/ZGS), pos. 62-65.
6. Quantity (Location) (DIC ZHS), pos. 67-74.
7. Quantity (Location) (DIC ZGS), pos. 70-74.

(b) Whenever a change is made to the data elements on one or more ZHS/ZGS location transactions, all ZHS/ZGS/ZSJ transaction which were changed must be input; and the total quantity on the ZSJ transaction must agree with the sum of the quantities on the detail transactions.

(c) In those rare instances when an SSCS, Reason for Study Code RP, indicates a Recommended Repair quantity, DIC ZGS, appendix B-141, is greater than 99,999 at one location; process in accordance with appendix E-139 P, subparagraph 4b, this manual.

(d) Annotate Action Code DE in pos. 79-80 of the ZGS/ZHS for the location being revised and enter the revised data element. Use Action Code DF if a storage location is being added.

(e) Data elements applicable to the Recommended Buy/Repair Batch Control Transaction (DIC ZSJ) are:

1. Special Annotation Code, pos. 28-29.
2. Project Code, pos. 44-46.
3. Total number of Revisions, pos. 63-65.
4. Total Quantity Approved, pos. 66-74.
5. Action Code (DE), pos. 79-80.

6. The DIC ZSJ is a control transaction and represents the sum total of Buy and Repair actions recommended for an item and must be reinput with the corrected location transactions. The entry in pos. 63-65, total number of revisions, must equal the total number of Buy/Repair actions that are revised, added, or disapproved. (DIC ZGS/ZHS reentry.) The total quantity approved must equal the sum total approved for Buy/Repair action.

(9) Cancellation: Annotate only the Recommended Buy/Repair Batch Control Transaction, DIC ZSJ, citing Action Code CY, DB, DC, or DH, as appropriate, in pos. 79-80, to indicate the reason for disapproval.

(10) Routing: Forward the Recommended Approval Transaction(s) (DICs ZSJ, ZHS/ZGS) to the data entry. To avoid computer rejects and suspension of PR, care must be exercised to ensure that only revised Buy/Repair (DIC ZHS/ZGS) transactions accompanied by the Recommended Buy/Repair Batch Control Transaction (DIC ZSJ) are forwarded for input.

NOTE: A comparison of the System Reorder Point Quantity and assets will be made on a daily basis for each family experiencing any of the following activity: (1) Reestablishment of the System Reorder Point Quantity that results in an increase over the prior System ROP; or, (2) Reduction as assets used in the System ROP comparison. When Recommended Buy/Repair Batch Control Transactions are canceled, another RP Study will not be produced in the next cycle unless one of the above events has occurred.

ae. REVIEW OF REASON FOR STUDY CODE MB - WAR RESERVE.

(1) IM - Will forward the SSCS to the War Reserve Coordinator for processing. No manager action is required.

(2) IM - Whenever an item has a recorded OWRMR or OWRMRP and there was no current year validated DIC DMA War Reserve submission for the item, the following will occur:

(a) The OWRMR quantity will be deleted and overlayed with zeros. The War Reserve coordinator has this item recorded on the appendix F-175, Items Rejected Report, or the item may be recorded on the appendix F-172, Unmatched War Reserve Requirements, Previous vs Current Year, in which case the War Reserve coordinator is verifying the dropped item with the applicable Service. The results of this Service coordination will be made known to the IM, who will react to the results in accordance with appendix E-199 P.

(b) The OWRMR quantity will be deleted and overlayed with zeros. The OWRMRP may or may not be changed depending on the apportionment/budget year check outlined in appendix E-199 P.

(3) MSO (ORC 94) War Reserve Coordinator/Monitor:

(a) Yearly Process: This output highlights the items generated from the comparison of the previous year War Reserve data in the SCF to the changes being made in the SCF whenever the OWRMRP quantity becomes greater than the OWRMR quantity. As such the SSCS acts as an immediate item reference when negotiations are being made with the Services, particularly for War Reserve dropout items. If a due-in quantity is recorded for the item, every attempt to reduce such due-in in an amount equal to the OWRMRP overage will be made. If such reduction is accomplished, a War Reserve reinvestment credit will be established equal to the value of the OWRMRP reduction.

(b) Daily Process: This output highlights the daily DIC ZS2 transactions that resulted in the OWRMRP quantity being greater than the OWRMR. The SSCS can be used to compare against the auditable record generated on the appendix F-177, Report of OWRMRP Change.

(c) It is possible with small OWRMRP quantities to be reduced to a zero (blank line 14H, SSCS entry) whenever a Management Policy Table 018, OWRMRP Reduction is in effect. The line 22F SSCS entry will be a machine printed OWRMR. Line 22G of the SSCS may or may not have an entry depending on whether the item has a recorded OWRMR quantity.

af. REVIEW OF REASON FOR STUDY CODE RS - SUMMARY REORDER POINT -  
PROCUREMENT GROUPING.

This code identifies an SSCS which is prepared and forwarded to the IM as a summary of a procurement grouping's stock status whenever procurement/repair action is recommended for a member, or members of the grouping. This study provides the IM with an overview of the entire grouping and is intended to be used by the manager in conjunction with the reviews made of the SSCSs prepared for individual members of the grouping under the criteria developed under Reason for Study Code RG. The only information reflected on the summary study will be in the Header Data Section; where only the Header Data common to all of the members of grouping will appear; and in section II - System Analysis; where the grouping's total assets are stratified against the grouping's total requirements to show the overall stock status for the grouping. Section I - Historical Data, section III - Depot Analysis, and section IV - Detailed Asset Data, will not be utilized. It should be noted that the Reason for Study Code RS is applicable to items in the following PGCs only:

- (a) DPSC-Med (S9M) 05000-07999
- (b) DPSC-C&T (S9T) 00001-04999
- (c) DPSC-Sub (S9S) 08000-09999 (Future)

ag. REVIEW OF REASON FOR STUDY CODE RP-FS - REORDER POINT - FRONT-END  
SCREENING HISTORY FILE.

(1) This code identifies an SSCS prepared for an item which has reached its ROP, and for which procurement/repair action is recommended, but which has recorded FESHF assets available for recoupment.

(2) With the SSCS, the IM will receive (when applicable):

- (a) Appendix B-139.
- (b) Appendix B-140.
- (c) Appendix B-141.
- (d) Appendix B-274.
- (e) Appendix F-414, FESHistory File Listing reflecting Reason Code P.

(3) Whenever this Reason for Study Code is received the IM may have to delay the decision until the DIC ZMX and appendix F-414 is received (approximately one day). First consideration should be given to recouping the DRMO assets reflected upon the DIC ZMX and appendix F-414. If sufficient DRMO assets are available to fulfill the entire system deficiency then the entire recommended procurement should be canceled. If only a portion of the system deficiency can be satisfied then a reduction of the recommended procurement equal to the amount of DPSO available assets should be accomplished. In either event, or if no action to recoup DRMO asset is initiated, the DIC ZMX must be reentered in accordance with appendix E-516 P. Appropriate processing instructions applicable to the DICs ZGS, ZHS, and ZSJ are contained in this appendix under Reason for Study Code RP.

ah. REVIEW OF REASON FOR STUDY CODE RP-RX - REORDER POINT - RECENT DISPOSAL.

(1) This code identifies an SSCS prepared for an item which has reached its ROP, and for which procurement/repair action is recommended, but upon which disposal action was taken within the past 60 days. An SSCS generated as a result of the criteria described under Reason for Study Code RP or RG will show Reason for Study Code RX if disposal action took place in the last 60 days prior to the preparation of the study.

(2) With the SSCS, the IM will receive (when applicable):

(a) Appendix B-139.

(b) Appendix B-140.

(c) Appendix B-141.

(d) Prior to undertaking a review of the SSCS and the computer recommended replenishment action(s), the IM should obtain a THF printout for the past year in order to validate disposal action. If disposal action, the IM should extract details of the disposal transaction signaled by the computer and compare quantity of materiel disposed to the recommended procurement/repair to determine whether recoupment is more economical, IM must then establish the possibility of recoupment; and if recoupment is possible, decrease the computer recommendation by that quantity of materiel that is available from the disposal transaction; and then initiate recoupment action.

(3) Procedures for processing the Recommended Buy/Repair Transaction (DICs ZGS, ZHS, and ZSJ), and for the ROP review are contained in this appendix under Reason for Study Code RP.

(4) Procedures for files research for disposal transactions, and for recoupment are in accordance with chapter 12 and appendix E-509 P.

ai. REVIEW OF REASON FOR STUDY CODE SC - TYPE OF CHANGE CODE RA AND RB.

This code identifies an SSCS which is prepared 120 days prior to the effective date for Type of Change Code RA on a replaced NSN and also on the effective date for Type of Change Codes RA and RB for the preferred NSN. The notification prepared 120 days prior to effective date for Type of Change Code RA is to alert the IM that he has two different NSNs assigned to the same item of supply. Upon receipt of this Reason for Study Code SC, an interrogation should be made of the CMD/TIR to obtain the replacing NSN. With this information, the two NSNs can be family grouped and procurement action started for the replacing NSN, when necessary. Manually establishing family groups is discussed in chapter 27, section II, and appendix E-171 P. The notifications received on the effective date are to be reviewed for possible management data update actions.

aj. REASON FOR STUDY CODE SL - ASSETS IN EXCESS OF THE SHELF-LIFE ROTATABLE QUANTITY.

(1) An SSCS with Reason for Study Code SL will be produced quarterly from the Stratification process when the Shelf-Life Code is alpha (nonextendable) and a quantity of one or more stratifies as excess to the Rotatable Quantity (RQ). The Rotatable Quantity can be calculated according to the formula presented in chapter 11. The quantity and dollar value excess to the RQ will be entered on line 18, columns O and P, of the SSCS, F-167. If, in the unlikely event, the item is also at its ROP and SO quantity exceeds the MSO quantity (see chapter 11), the (SO-MSO) difference plus the excess to the RQ will be entered on line 18, columns O and P.

(2) The IM will attempt to control storage and issue of shelf-life assets through application of condition codes and offer Condition Code C stocks at reduced prices to selected customers to accelerate issue and minimize disposal actions.

(3) The IM will review the SSCS - SL along with other known logistics/supply data to determine if a recommended disposal action is appropriate for those assets in excess of the Rotatable Quantity.

(4) If assets on hand exceed the Rotatable Quantity by more than \$50.00 in value (using Acquisition Unit Cost) and a disposal action has been deemed necessary, the IM will prepare a DIC ZLC, Recommended Disposal Transaction (appendix B-31), in accordance with appendix E-313 P.

ak. REVIEW OF REASON FOR STUDY CODE RE - LAST USER WITHDRAWN.

(1) This study is output monthly to indicate the last user has been withdrawn and the DSC MOE Rule exists. This study will be accompanied by a Notification of DSC Decision on Withdrawal, DIC ZSM, when one of the following conditions exist:

(a) The Industrial Plant Equipment (IPE) Designator Code is I.

(b) The Date of Last Demand is less than two years from the processing date.

(c) The Weapon System Indicator Code is other than N.

(d) The War Reserve Classification Code is H.

(e) The item has an Other War Reserve Material Requirement Protectable (OWRMRP) quantity, Special Program Requirement (SPR) quantity, Fleet Issue Load List (FILL) requirement quantity.

(f) The item has assets on hand.

(2) To preclude automatic deletion of assets on hand or the erroneous deletion of an NSN and its subsequent reactivation, the IM should coordinate the following additional actions as required:

(a) Contact DIPEC to coordinate the disposition of assets on hand in accordance with appendix E-256 P.

(b) Contact the Weapon System Program Monitor in the Directorate of Supply Operations to coordinate deletion of the Weapon System Indicator Code. Prepare Weapon Item Data Transaction, DIC WS1, in accordance with appendix E-144 P.

(c) Contact the War Reserve Monitor in the Directorate of Supply Operations to coordinate the transfer of applicable funds to other items. Prepare a OWRMRP Increase/Decrease transaction in accordance with appendix E-181 P.

(d) Contact the applicable Service/SPR Monitor in the Directorate of Supply Operations to coordinate the cancellation of the SPR requirement. Prepare a Special Program Requirements transaction, DIC DYC, in accordance with DLAM 4140.2, Volume II, Part 1, Chapter 58, and Part 3, Appendix B-49.

(e) Contact the FILL Monitor in the Directorate of Supply Operations to coordinate the deletion of the FILL quantity. Prepare a FILL Item Change transaction in accordance with appendix E-184 P.

(f) On items with assets on hand that meet qualifying dollar value criteria, a review by the Directorate of Technical Operations is required to determine the items substitutability/interchangeability. Prepare a Request for Routine Technical Assistance in accordance with appendix E-279 P.

(g) Initiate disposal actions in accordance with appendix E-031 P or E-313 P.

(3) After completing the appropriate actions process the DIC ZSM by annotating the appropriate retention or deletion decision in accordance with appendix E-153 P.

al. REVIEW OF REASON FOR STUDY CODE UW - LAST USER WITHDRAWN

(1) This study is output monthly to indicate the last user has been withdrawn and the DSC MOE Rule is being deleted on a stock type item that has assets on hand in other than Purpose Code A or Condition Codes A through G or assets due-in.

(2) The IM should initiate action to cancel dues(s)-in in accordance with appendix E-506 P.

(3) Review the Purpose Code or Condition Code(s) of assets on hand.

(a) If the purpose code is other than A determine if the purpose code is valid. If the purpose code is no longer applicable initiate action to change this code in accordance with appendix E-022 P.

(b) Determine if disposal action is appropriate and process in accordance with appendix E-031 or E-313 P.

am. ADDITIONAL REVIEWS OF THE SSCS.

During the review of the SSCS for any of the above listed Reason for Study Codes, the IM will carefully review all elements of the study to determine if any additional revisions are required. Such review will help to ensure that all essential data relating to the supply and demand

status of an item have been compiled; kept up to date; and that its consolidation projects an analysis that assures a proper balance between supply and demand. The IMs review can minimize the number of critical items through anticipatory actions and aggressive efforts to overcome the critical status situation, when it occurs. Processing instructions for these reviews are as follows:

(1) REVISION OF ALT/PLT OR INHIBIT CODE

(a) The review of an SSCS which has been received for a specific Reason for Study Code may require revision of the ALT/PLT and their respective Inhibit Codes. ALT is the time interval between the date a need for procurement becomes known (indicated in the Recommended Buy Record of the SCF when the ROP or Reorder Review Level has been reached) and the date of the contract award. PLT is the time interval between Contract Award Date and the receipt of a significant quantity of materiel for normal replenishment demand (51 percent of the largest CLIN in the first scheduled quantity increment of a contract).

(b) DSO has the option to revise the Inhibit Code to permit a mechanical or manual control of the ALT/PLT.

(c) A review of the ALT/PLT is required whenever there is a significant change occurring to the ALT/PLT compared with the old ALT/PLT of record.

(d) Only Representative Buy Contracts awarded for stock replenishment which do not have expedited delivery will be considered in ALT/PLT computations. Direct delivery buys are excluded.

(e) Normally, computation and establishment of a current average ALT/PLT are mechanically computed and stored on a weekly basis. However, when a review of an item indicates a temporary revision to the ALT/PLT is determined to be necessary, the IM may override the mechanical computation by preparing the inputs below.

(f) Applicable documents are:

1. Appendix B-149.
2. Appendix B-189.

(g) Procedures for preparing Supply Management Data Change Transactions and Supply Control Data Change Transactions are contained, respectively, in appendices E-149 P and E-189 P.

(h) When the review of an item indicates a temporary revision to the ALT/PLT is necessary the IM will check the ALT/PLT Inhibit Code (refer to appendix A-114) in the SCS. If Inhibit Code is P or T, initiate a Supply Control Data Change Transaction, DIC ZR3, appendix B-189 and forward the document to ODS. The DIC ZR3 input document will revise the ALT/PLT as indicated in pos. 26-28 and/or 29-31 respectively. If Inhibit Code is C, prepare a Supply Management Data Change Transaction, DIC ZR2, appendix B-149, and forward the document to ODS. The DIC ZR2 input document will revise the ALT/PLT Inhibit Code in the SCF by entry indicated in pos. 65 or 66.

## (2) REVISION OF THE ANRDP/ANRDP INHIBIT CODE

(a) The review of an SSCS which has been received for a specific Reason for Study Code may require a revision of the ANRDP. This data element indicates the percentage of nonrecurring demands considered recurring for forecasting purposes. Such a review may also require a change to the ANRDP Inhibit Code. The ANRDP and its Inhibit Code apply only to High Demand Value Items. Inhibit Codes permit the ANRDP to be computed and updated either manually or mechanically at the option of the DSC.

(b) Inhibit Codes are C - ANRDP is mechanically controlled and recomputed during the quarterly review and used in the following quarter; P - ANRDP is manually computed and remains in effect until changed by the IM; and T - ANRDP is manually computed and used until the next forecast at which time the code returns automatically to C and the ANRDP is mechanically recomputed and maintained.

(c) When the ANRDP Inhibit Code is C, the mechanical computation of the percentage is as follows:

$$\text{ANRDP} = \frac{2(X + Y)}{N1 + N2 + N3 + N4}$$

where X and Y are the two lowest values of N1, N2, N3, and N4 which represent the number of units (quantities) of N (MILSTRIP nonrecurring) demand for the last four quarters at the time of computation.

(d) Decisions to revise the ANRDP may be based upon a review of the pattern and quantity of nonrecurring demand. An analysis of the formula used for mechanical computation of the ANRDP reveals that it is possible to obtain a zero percentage. If there are two quarters with zero nonrecurring demand interspersed between quarters of high nonrecurring demand, the computation results in a zero percentage. In such a case, it may be desirable to manually compute an ANRDP to force recognition by the forecasting processes of a portion of the nonrecurring demands. Also, overall demand including nonrecurring may be increasing on the item which the mechanical computation is forcing the system to add nonrecurring at a rate based upon a lower demand base. Or, by the same reasoning, the IM can determine the need to exclude nonrecurring demand because of decreased system use.

(e) The document applicable for changing the ANRDP/ANRDP Inhibit Code is appendix B-64.

(f) Procedures for preparing the Forecast Data Change Transaction are in appendix E-064 P.

## (3) REVISION OF THE DEMAND VALUE CODE

(a) The review of an SSCS which has been received for a specific Reason for Study Code may require a revision of the Demand Value Code (appendix A-85). Demand Value Codes represent categories into which replenishment type items are placed based upon their dollar value (using Acquisition Unit Cost) of annual forecasted demand. This code is used



to determine not only the forecasting processes, but also the intensity of management applied to an item. During the quarterly review, the computer automatically updates the Demand Value Code. Prior to the quarterly review, the IM may revise the code to ensure that correct forecasting procedures are applied.

(b) A basic criterion for changing the Demand Value Code before the quarterly review is that the IM has become aware of changes in forecasted demands which clearly dictate a revision. This may result when a Service/Agency increases or decreases its usage. It may occur when new users increase system demands. It may occur when cataloging actions consolidate demands and users under a single preferred item.

(c) The applicable document for changing the Demand Value Code is appendix B-189.

(d) Procedures for preparing Supply Control Data Change Transactions are in appendix E-189 P.

#### (4) REMOVAL OF NEW ITEM CODE

(a) The review of an SSCS (for a new item) which has been received for a specific Reason for Study Code may indicate an adequate demand pattern has been developed for the time that the item has been in the system whereby the smoothed forecast is acceptable for forecasting demand. If a satisfactory pattern has developed, the New Item Code (N) can be revised and the item processed as an Established Item.

(b) To revise the Age of Item Code N (New Item) to E (Established Item) the IM will initiate a Supply Control Data Change Document, DIC ZR3, appendix B-189, citing an E in pos. 25.

(c) Procedures for Preparation of the Supply Control Data Change Transaction are contained in appendix E-189 P.

(d) The above input will process and if accepted, will revise the Age of Item Code from N to E in the SCF reclassifying the item as an Established Item thereby utilizing the smoothing technique in the subsequent forecast.

#### (5) ADJUSTMENT TO THE PRDA

(a) The review of an SSCS which has been received for a specific Reason for Study Code may require revision of the PRDA. The PRDA is a factor used to distribute total forecasted recurring system demands among Preferred Storage Locations.

(b) A manual change to the PRDA Factor is normally based upon DSC or HQ DLA management decision to alter the distribution pattern or to add new or drop current Preferred Storage Locations. All Preferred Storage Locations must be recorded in Management Policy Table 001 and PRDA Factors can only be assigned to Preferred Locations.

(c) The initial posting to a Preferred Storage Location of any demand, assets or requirements establishes the location in the SCF and causes the location to appear on any subsequent SSCS even though the PRDA is zero. The next forecast computation determines the new

location's share of PRDA. Therefore, unless directed otherwise by management, it should not be necessary to change PRDAs because an activity appears on the study without a factor. Should a change be made, however, the computer still updates the factors during the normal forecast. Manual changes are effective only until the next forecast.

(d) The applicable input document is appendix B-119.

(e) Procedures for preparing the Preferred Storage Location/PRDA Transaction are in appendix E-119 P.

(6) REVISION OF THE QFD (NEW ITEM)

(a) The review of an SSCS (for a new item) which has been received for a specific Reason for Study Code may indicate a revision to QFD is required in order that forecasting will be more in line with demand for the remainder of time the item will be classified as a New Item. The QFD for a new item indicates a fixed forecast mechanically computed from forecast data submitted by the Service(s) and reflects the estimated requirement for the current quarter and each subsequent quarter when Program Change Factors are not applicable. This forecast, when item is coded a New Item, is used in Supply Control for computing recurring requirements for the various time periods such as PLT, Procurement Cycle and Balance AFAO. This element is stored in the SCF and is subject to manual revision only.

(b) In the event a review of an SSCS indicates an increase/decrease in demand to the effect that a change to the Fixed QFD is desirable, the IM can revise the QFD by preparing appendix B-189, citing the determined quantity (QFD) in pos. 43-50.

(c) Procedures for Preparation of the Supply Control Data Change Transaction are contained in appendix E-189 P.

(7) REVISION OF THE QFD (SYSTEM)

(a) The review of an SSCS (for an established item) which has been received for a specific Reason for Study Code may require revision of the QFD. The QFD is used to compute recurring requirements for the various time periods such as PLT, Procurement Cycle, and Balance AFAO. This data element is the forecasted recurring requirement for the current quarter and for each subsequent quarter when Program Change Factors are not applicable.

(b) When Program Change Factors are applicable to an item, the IM must keep in mind that EQQ and Safety Level computations do not use the QFD, but the Extended System Quarterly Forecast of Demand (EQFD), which is determined by first subtracting from the system QFD the expected demand of the Service(s) coded for use of Program Change Factors, then multi-plying the Service(s) Expected Demand by the Program Change Factor, and finally, adding the product to the QFD remainder (refer to chapter 53). Unless the forecast has been distorted by an input such as incorrect demand data to an extent unacceptable to the DSC, the QFD should not be altered. Normally, updating occurs mechanically at the time of each demand forecast. However, when necessary, the IM may override the mechanical computation by preparing the inputs below.

(c) Applicable documents are:

1. Appendix B-64.
2. Appendix B-149.

(d) Procedures for preparing Forecast Data Change Transactions and Supply Management Data Change Transactions are contained, respectively, in appendices E-064 P and E-149 P.

(e) The item must have Age of Item Code E assigned to indicate an Established Item (as distinguished from a New Item).

(f) When effecting the manual change, always review the QFD Inhibit Code making certain that the code and the QFD quantity change agree. A QFD Inhibit Code C always causes the single and double smoothed averages to become the same (one-third for VIP) as the QFD quantity entered in pos. 23-30 of the DIC ZSF transaction. The rationale is that normally when the IM changes the current QFD, it is his/her intention to also influence future QFD computations. If the Inhibit Code is T, only the QFD quantity changes. The change remains in effect only until the end of the current forecast period after which the mechanical processes change the Inhibit Code to C and compute the forecast as directed in chapter 53. If the Inhibit Code is P, the QFD quantity remains fixed until the code is manually changed. T and P Inhibit Codes do not affect the mechanical computation of the single and double smoothed averages. Use appendix E-149 P directions when the Inhibit Code must be changed. Use appendix E-064 P directions to input the revised QFD quantity. When both transactions (DICs ZSF and AR2) must be prepared, they should be sent together to the ODS for entry into the same cycle.

#### (8) MANUAL ADJUSTMENT OF THE QUARTERLY RETURNS FORECAST QUANTITY/ INHIBIT CODE

(a) The review of an SSCS which has been received for a specific Reason for Study Code may require revision of the Quarterly Return Forecast Quantity. This element is a quarterly average of materiel returns which have been reported as received by the storage points.

(b) An Inhibit Code is used to allow either mechanical or manual control of the forecast quantity. Inhibit Code C permits mechanical computation only. Code P keeps the manually assigned quantity in effect until changed by the IM. Code T forces use of the manually assigned quantity until the end of the current quarter after which the Inhibit Code changes to C and mechanical computations are resumed.

(c) The basis for revision to the Quarterly Return Forecast Quantity/Inhibit Code is usually a change in the ratio of the old to the new returns forecast. Each DSC establishes a percentage of change in the Forecast Return Percentage Table, appendix F-72. When the percentage in the Policy Table is exceeded, the ODS prints a copy of the Demand History Listing, appendix F-191, and sends it to the IM.

(d) It is the IMs responsibility to review appendix F-191 and determine what a revised Quarterly Return Forecast Quantity should be. Because the returns forecast is a quotient or average obtained by dividing the sum of the last four completed quarters by four, it is

subject to the usual interpretations possible with this type of average. Therefore, the F-191 listing should be examined to determine whether the T coded returns data reflect a reasonable increase/decrease or the averaging of one-time extremely high or low quarters. When necessary, IMs make changes by preparing the inputs below.

(e) Applicable documents are:

1. Appendix B-64.
2. Appendix B-149.

(f) Procedures for preparing Forecast Data Change Transactions and Supply Management Data Change Transactions are contained, respectively, in appendices E-064 P and E-149 P.

(g) To accomplish the manual change, P or T must be the Inhibit Code applicable to the returns forecast. Use appendix E-149 P directions when the Inhibit Code must be changed. Use appendix E-064 P directions to input the revised forecast quantity. When both transactions must be prepared for the same NSN, after completing the entries, send them together to the ODS for input into the same cycle.

#### (9) REVISIONS TO EMERGENCY, FIXED OR VARIABLE SAFETY LEVELS

(a) The review of an SSCS which has been received for a specific Reason for Study Code (refer to appendix A-156) may require revision to the Safety Level. A Safety Level is an issuable quantity of materiel authorized for use to satisfy current requirements should demands increase or stock replenishment delays occur.

(b) Quarterly Review procedures normally determine the change in type of Safety Level. Changes in the Quarterly Forecast of Demand cause quantitative adjustments of the levels. New Items (Item Category Code 1 only) have a fixed safety level assigned. Once an item has been in the system for two or more years the Age of Item Code automatically changes from N to E during the Quarterly Review and a Variable Safety Level is then assigned. These quantitative changes to Safety Levels occur automatically unless Inhibit Code P (refer to appendix A-114) is in the SCF. However, IMs have the capability to manually assign types of safety levels before or after quarterly reviews and to change quantities between forecasts. Possible changes are:

1. New Item with Fixed Safety Level to Variable or Emergency Level of Supply.
2. Fixed Safety Level to Variable or Emergency Level of Supply.
3. Variable to Fixed or Emergency Levels.
4. Emergency to Fixed or Variable Levels.

(c) The basis for change to any type of Safety Level should be either valid data known to the IM but not yet incorporated into the computer files or invalid data which have been placed erroneously in the files and adversely affect requirement computations and item coding.

Safety Level Codes, Demand Value Codes, Safety Level Quantities and Fixed Safety Level in Months should be changed when necessary. In general, manual changes to demand accumulation or demand forecasting can significantly influence Safety Levels.

(d) In addition to Fixed and Variable Safety Levels, Emergency Levels may also be established. Fixed or Variable Safety Levels are not used when an item has an Emergency Level. The effect of an Emergency Level is to combine a Peacetime Safety Level with a reasonable ability to meet emergency or wartime needs. Although simple to compute, Emergency Levels do require review of War Reserve data, procurement cycles, and certain agreements with the Services who have item War Reserve requirements (refer to chapter 56). Emergency Levels are not automatically established during the annual review.

(e) Once the type of Safety Level has been assigned, the Safety Level Inhibit Code determines whether the Safety Level Quantity is computed mechanically or manually.

(f) Applicable input documents are:

1. Appendix B-149.
2. Appendix B-189.

(g) To effect the manual change to the Safety Level Quantity, the Inhibit Code applicable to the Safety Level must be P or T. Use appendix E-149 P directions when the Inhibit Code must be changed. Use appendix E-189 P directions to change Safety Level Codes/Quantities and Fixed Safety Level in Months. When both transactions (DICs ZR2 and ZR3) must be prepared, they should be sent together to ODS for entry into the same cycle.

#### (10) CONFIRMATION OF SPRs

(a) The need to confirm an accepted SPR is determined simultaneously with its entry into the SPR Trailer Record with Status Code PA. Once the need for confirmation is determined, as indicated by the conditions listed below, Confirmation Signal (R) is placed in the SPR Trailer Record. Actual confirmation actions are to be initiated at the time the item is at its ROP and procurement is necessary.

1. Any SPR with a value exceeding \$2,500 (using Acquisition Unit Cost) and the quantity is in excess of a monthly demand.
2. Any SPR, for high value demand items exceeding system QFD.

(b) When either of the above conditions exists, the machine will set a Confirmation Signal (R) in the SPR Trailer Record. An SSCS with Reason Code RP will be output to the IM with an asterisk (\*) appearing next to the SPR quantity requiring confirmation. A printout of all SPRs from the SPR Trailer Record for the family number will be forwarded to the IM the next day. The IM will forward to SPR Monitor for confirmation.

(c) SPRs which have been accepted for support and coded that confirmation is required will be confirmed by the SPR Monitor by message, telephone or mail requesting the following:

1. Verification of Adjustment to Quantity and Support Date.
2. Narrative description of the Program(s) for which forecasted items are required.

3. The programming Activity(ies) responsible for direction of the program(s) involved (e.g., specific ICP or Technical Bureau).

(d) A Suspense File will be maintained by the SPR Monitor on all confirmations requested. The procurement initiated by the IM will include all SPRs requiring confirmation.

(e) Upon receipt of confirmation, Monitor will remove item from suspense file and prepare an SPR document duplicating the original submission entry in the SPR Trailer Record and cite a C in pos. 79. This action will post a C (Confirmation Code) to the applicable SPR in the SPR Trailer Record designating confirmation has been received. Forward documents to ODS for processing. The IM will be advised upon receipt of confirmation.

(f) When confirmation is requested and the forecaster designates an increase, decrease, change in support date, or cancellation to the original submission, the IM will be requested to review the correspondence from the submitter to determine if the changes are verified/justified. If the changes are acceptable, SPR Monitor will:

1. For increase in quantity, prepare an input document in the format of appendix B-49. Insert DIC DYD in pos. 1-3. Duplicate all other entries of the original submission with exception of quantity field pos. 25-29. Insert increase quantity in pos. 25-29, enter Bypass Code 1 in pos. 78 (Bypass Code 1 is a locally generated code to indicate the SPR will bypass the mechanical Maximum Acceptance Quantity (MAQ) checks). Enter Confirmation Code C in pos. 79 to indicate the SPR has been confirmed. Forward document to ODS for input to computer. Submission of SPR document will post Confirmation Code C and increase quantities in the Forecast SPR Record, appendix F-251.

2. For decrease in quantities, prepare an input document in format of appendix B-49. Insert DIC DYD in pos. 1-3. Duplicate all other fields of the original submission with exception of quantity field pos. 25-29. Insert decreased quantity in pos. 25-29, Confirmation Code C in pos. 79 (to indicate the SPR has been confirmed) and forward document to ODS for input to computer. Submission of the SPR document will post Confirmation Code C and decrease quantities in the Forecast SPR Record, appendix F-251.

3. For change in support date, prepare an input document in the format of appendix B-49. Insert DIC DYD in pos. 1-3. Duplicate all other entries of the original submission with exception of the support date field pos. 62-64. Insert new support date in pos. 62-64, Confirmation Code C in pos. 79 and forward the document to ODS for input to computer. Submission of the SPR document will post Confirmation Code C and change the Support Date in the Forecast SPR Record, appendix F-251.

4. For cancellation of an SPR, prepare an input document in the format of appendix B-49. Insert DIC DYD in pos. 1-3, duplicate all other entries of the original submission. Forward the document to ODS for input computer. Submission of the SPR will remove item from Forecast SPR Record, appendix F-251.

5. If confirmation is not received within 30 days from request, Monitor will remove item from suspense file. IM will be advised by SPR Monitor to file correspondence in Item Jacket after annotating CONFIRMATION NOT RECEIVED. Monitor will prepare an SPR document in format of appendix B-49. Insert DIC DYC in pos. 1-3 and duplicate all other entries of the original submission. Forward the documents to ODS for input to computer. Submission of the SPR will remove the item from Forecast SPR Record, appendix F-251.

6. For canceled SPRs, IM will adjust PR as follows:

a. If PR value is over \$2,500, initiate a PR amendment.

b. If PR value is less than \$2,500, cancel the PR and initiate a new PR, if applicable.

(g) Applicable documents are:

1. Appendix B-49.

2. Appendix F-167.

3. Appendix F-251.

4. Appendix E-506 P.

(11) STANDARD OPERATING PROCEDURES FOR CONTRACTING WITH THE SMALL BUSINESS ADMINISTRATION UNDER SECTION 8(a) OF THE SMALL BUSINESS ACT

(a) RESPONSIBILITIES AND PROCEDURES

1. Single Point of Contact Between Small Business Administration (SBA) and DSC. The DSC Small Business/Labor Surplus Area Specialist is designated as the initial and primary point of contact for all inquiries associated with this Program. To the extent requested by the SBA representatives on behalf of prospective 8(a) subcontractors, the Specialist will take appropriate action to set up meetings or discussions which may be required with the technical, supply, and procurement personnel.

2. Items and Requirements Identification for Section 8(a) Contracting. Items currently being procured from a minority business enterprise or selected for future potential procurement from a minority business enterprise.

a. When it is anticipated that an additional quantity of an item will be required to support a business plan of a current or prospective 8(a) subcontractor, SBA will furnish the NSN, with noun name or nomenclature, for any item currently being procured from a minority business enterprise to the Specialist who will forward the information provided by SBA to the MSO, DSO.

b. The MSO from information obtained from the IM, will ensure that the Specialist is notified of any planned procurements of those items so flagged at the earliest possible date; i.e., after the determination of a firm requirement, and, if possible, prior to the reinput of the approved DIC ZSJ, Recommended Buy/Repair Batch Control Transaction, DLA Form 881, with appendix A-42 Action Code DA, DE, or DJ.

c. For stocked items, SSC/FSSC other than 2, 3, or 9, the SSCS will have the following entries to provide visual notification to the IM:

<u>ELEMENT</u>	<u>DIC</u>	<u>APPENDIX</u>	<u>ENTRY</u>
Peculiar Management	ZR2	E-149 P	8 pos. 28
SSCS Low Value Demand Code	ZR4	E-188 P	Y

d. Planned Procurement. The MSO will provide a copy of the appendix F-164, Item Procurement Program, listing with the section 8(a) items identified. Only a copy of the applicable pages is required. An acceptable alternate is a copy of the appendix F-167, Standard Supply Control Study, indicating the anticipated future buys in the applicable quarters in the remarks block of the DLA Form 690.

e. The DIC ZSJ, Recommended Buy/Repair Batch Control Transaction, DLA Form 881, will be annotated as Project 3G9 in pos. 44-46. Should there be a scheduled depot stock delivery to an Navy SSD, which is automatically annotated 1R1, the IM will not enter Project 3G9. Rather, place Special Annotation Code AA, appendix A-68, in pos. 28-29 which will forward the hard copy to the IM. The IM will annotate SMALL BUSINESS ACT SECTION 8(A) ITEM on the hard copy PR.

(b) NEW ITEM SELECTION

1. The DSO will emphasize this program to provide the necessary interface between personnel in the DSO and DP&P.

2. Should the IM, through his acquired materiel expertise, determine that an item could be manufactured by minority group contractors in the Federal Procurement Program, furnish the NSN and basic reason for selection to the MSO.

3. The MSO will actively solicit IM recommendations and forward the recommended NSNs to the DSC Small Business/Labor Surplus Area Specialist.

4. If DP&P solicits a PR under SBA-8a procedures, MSO DSO will be notified to input a peculiar Management Code of 8 in pos. 42 of the header data in the study. This peculiar Management Code will flag the item for the IM so future PRs for the item can be called back to DSO for annotation of special instruction SBA-8a procedures apply.

5. FLOWCHART

Flowchart not required.